

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

1,941 58
L752

LIVESTOCK and MEAT SITUATION

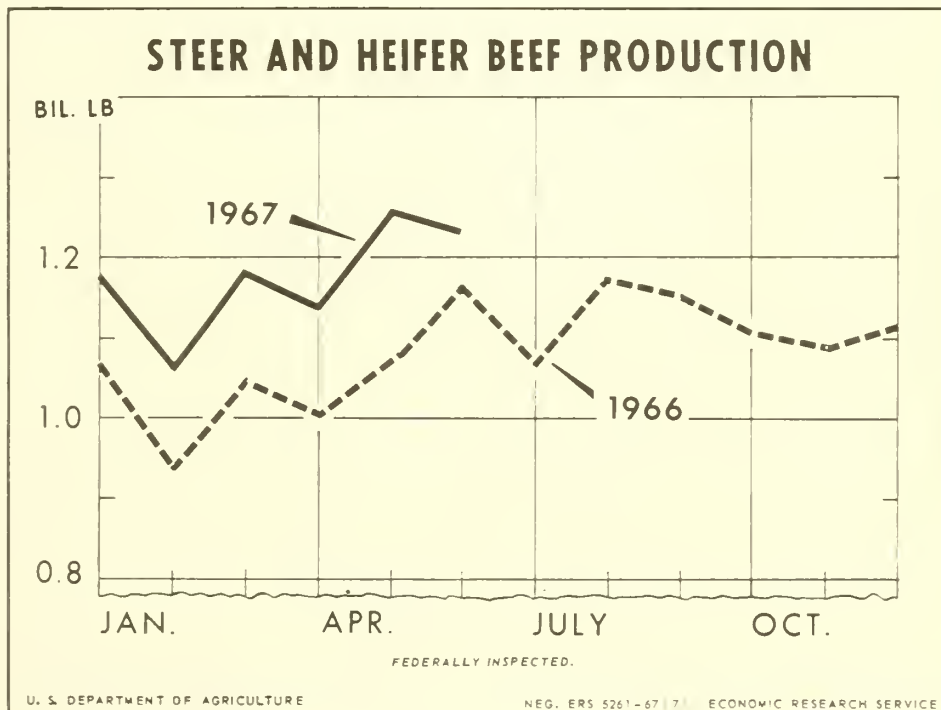


MS-156

For P.M. Release, August 7, 1967

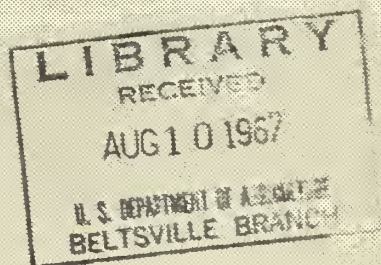
Steer and heifer beef production under Federal inspection has been very large so far this year, reflecting a 7 percent increase over last year in fed cattle marketings and heavier slaughter weights. Production will continue at a high rate this summer, but gains over 1966 likely will be much smaller. By fall, production of steer and heifer beef may be about the same to slightly smaller than a year earlier.

Fed cattle prices are expected to strengthen in response to the changing supply situation. Next fall Choice steer prices at Chicago likely will run somewhat above prices this summer and considerably above the October-December 1966 average of \$25.

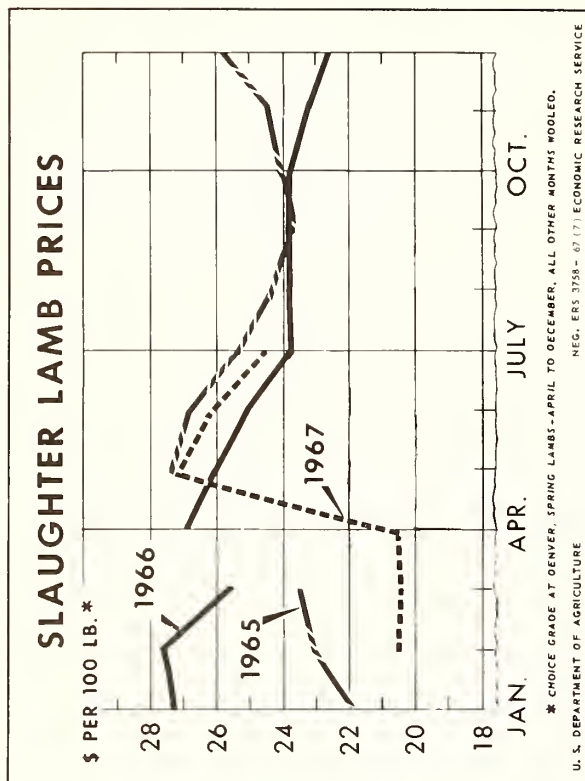
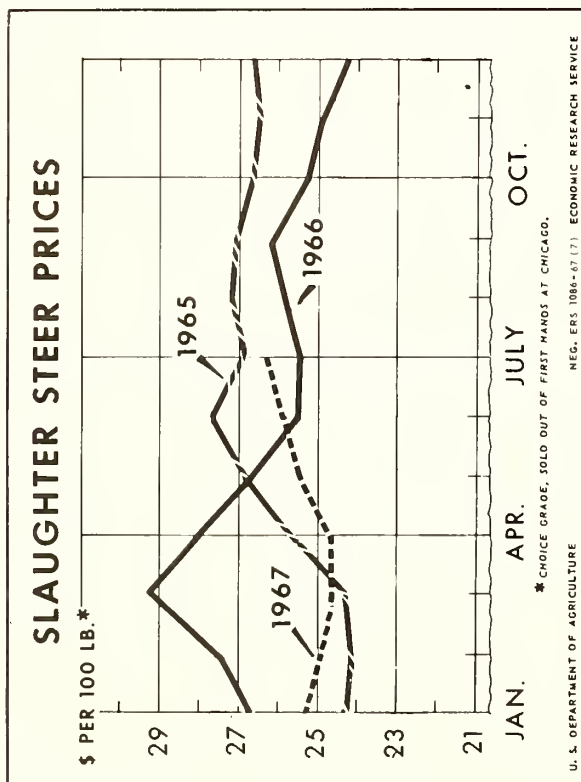


IN THIS ISSUE

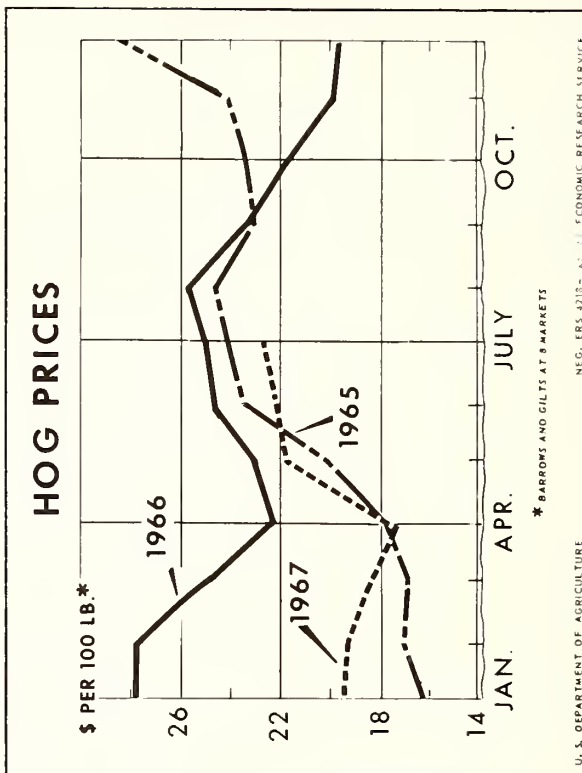
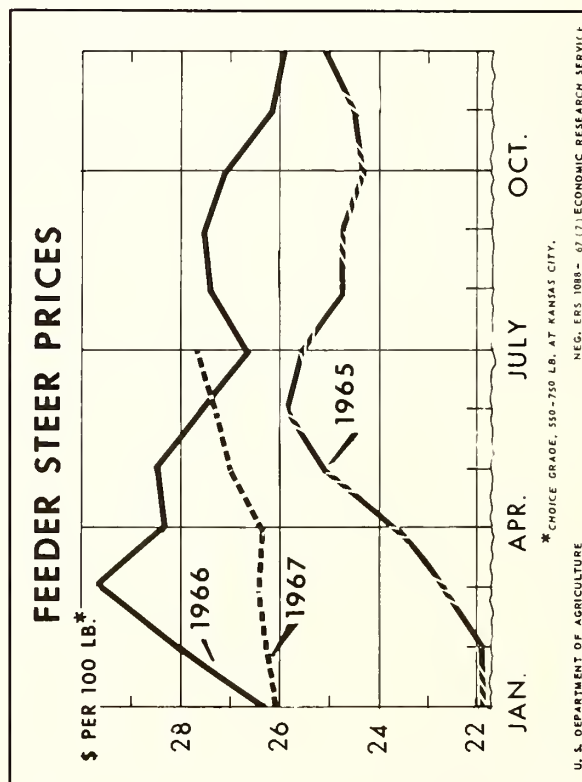
Mid-Year Outlook



Published bimonthly by
ECONOMIC RESEARCH SERVICE • U. S. DEPARTMENT OF AGRICULTURE



July is a 3-week average



Livestock and Meat Situation

Approved by the Outlook and Situation Board, July 28, 1967

CONTENTS

	<u>Page</u>
Summary	3
Review and Outlook	4
Cattle	5
Hogs	15
Sheep and Lambs	22
Foreign Trade in Meat	26
Meat Consumption and Prices	26
USDA Meat Purchases	29
1966 Farm Cash Receipts	32

SUMMARY

Livestock slaughter is declining from the high levels of early 1967, and prices are becoming more favorable to producers. Though seasonally larger, fall slaughter rates are expected to be lower than they were a year earlier, prices of most classes of livestock are expected to be higher.

BEEF: Cattle slaughter was 2 percent larger than a year earlier in the first half of 1967. Increases of 8 and 5 percent for steers and heifers more than offset a 14 percent decline in cow slaughter. Second half cattle slaughter likely will be about the same as, or a little smaller than in July-December 1966. Calf slaughter in the second half of the year is expected to continue substantially smaller than a year ago. Such slaughter rates would lead to a further moderate reduction in the inventory of cattle and calves by the end of this year, since the calf crop is indicated to be a little smaller than in 1966 and imports of feeder cattle are smaller. Most of the inventory decline will be in dairy herds; little change is expected in beef herds.

Summer marketings of fed cattle probably will be a little larger than a year earlier, but smaller than in the spring. On July 1 there were--8.7 million head on feed--2 percent less than a year earlier. But the number of cattle that will provide a large part of the fed cattle slaughter supply this summer was up around 3 percent from a year earlier (steers weighing more than 900 pounds and heifers over 700 pounds).

In late July, Choice steers at Chicago averaged around \$26.40 per 100 pounds. This was \$1 to \$2 above prices last winter and about 85 cents higher than a year earlier. Prices of fed cattle are expected to advance a little further later this summer and run moderately above the July-September 1966 average of \$25.79.

Fed cattle prices next fall are expected to show additional strength and average considerably above the \$25 in October-December 1966. Prices are expected to be higher in the fall because consumer demand for beef is expected to continue

strong and fed cattle marketings at that time likely will be smaller than a year earlier. The smaller marketings will reflect, in part, the 5 percent reduction in cattle on feed on July 1 weighing less than 900 pounds.

HOGS: Hog producers are cutting back production because of the higher feed costs and lower hog prices during last fall and winter. The spring pig crop was 1 percent larger than in 1966, but all of the increase came in December-February. March-May farrowings were down 2 percent; and hog producers stated plans earlier this summer to have 3 percent fewer sows farrow in June-November than in these months a year earlier.

Last winter, hog slaughter under Federal inspection was 23 percent larger than a year earlier. In the spring slaughter was up less than half as much as in the winter. The margin of increase in hog slaughter above a year earlier is expected to narrow later this summer; by fall, slaughter likely will be smaller than a year earlier. The seasonal increase in hog slaughter next fall will be less than in 1966.

Hog prices are currently averaging around \$22.50 for barrows and gilts at

8 markets-- over \$3 below the summer high of \$25.75 in August 1966. Next fall prices will be seasonally lower, although they may run a little above last year's October-December average of \$20.37 per 100 pounds. This, together with lower feed grain prices, may encourage hog producers to stabilize or expand herds, thus terminating the downturn that began in the spring.

LAMBS: Lamb slaughter last spring was 9 percent smaller than a year earlier. This contrasts with the 14 percent increase in the winter. Lamb prices have reflected these changes in slaughter supplies. Early this year, Choice slaughter lambs at Denver were \$7 or more below the relatively high prices of a year earlier. However, prices rose in the spring, and they are now higher than in 1966. Choice slaughter lambs at Denver were \$24.42 in late July--about 85 cents above a year earlier.

Lamb prices likely will show some seasonal decline this fall. However, prices are expected to average a little above 1966 levels during the remainder of the summer and this fall because lamb slaughter likely will be moderately smaller. Choice slaughter lambs at Denver averaged \$23.14 in October-December 1966.

REVIEW AND OUTLOOK

The livestock situation during the first half of 1967 was characterized generally by substantially larger meat supplies and lower prices than a year earlier. During January-June, beef production was up 6 percent from the same period in 1966, pork production was up 15 percent, while lamb and mutton production was up 2 percent. In addition to larger supplies of red meats, production of poultry was up by 16 percent. Thus, commercial production of red meat and poultry in January-June totaled 21.0 billion pounds--up 10 percent from a year earlier. As a result, prices received by farmers for cattle in the first half of 1967 averaged \$21.90--almost 4 percent below a year earlier--while hog prices averaged \$19.20--down 21 percent from a year earlier.

The supply situation, however, began to change during the spring, and indications are some additional change may occur during the remainder of the year. Fed cattle marketings during January-June totaled 10.9 million head--up over 7 percent from 1966. However, cattle feeders indicated on July 1 that they planned to market only 2 percent more fed cattle during July-September than a year earlier. If these plans materialize, fed beef supplies during the third quarter would be only 2 to 4 percent larger than a year earlier. Furthermore, since the number of lighter weight cattle now on feed--weights under 900 pounds--was down 5 percent, fall marketings may drop below 1966 levels. With prospects for cow slaughter to continue smaller than in 1966, beef production may fall under a year earlier later this year.

A more substantial change is occurring but in the spring fell below the 1966 level. Slaughter in April-June was down 9 percent from a year earlier. Although slaughter rates during the rest of this year are not likely to continue below year-earlier rates by as large a margin as during the spring, production during July-December is expected to total moderately below a year earlier.

in pork production. In January and February, hog slaughter was 27 percent above the low levels of a year earlier. By May and June, however, the increase in slaughter was only 9 percent above the same period a year earlier. Based on March-May farrowings and the number of pigs on farms weighing less than 60 pounds on June 1 (in the 10 Corn Belt States), hog slaughter by the end of this year is expected to average moderately below year-earlier levels.

Sheep and lamb slaughter during January-March was up sharply--14 percent--

Livestock prices strengthened during the spring when supplies began to decline from high winter levels. If production gains over a year ago continue to narrow during the summer and fall, as now appears likely, livestock prices likely will show additional strength compared to a year earlier.

CATTLE

It appears that the cattle inventory will decline this year for the third consecutive year. Commercial cattle slaughter in the first half of the year was up 2 percent from a year earlier. All of the increase occurred in steer and heifer slaughter--estimated to be up around 8 and 5 percent--while cow slaughter was around 14 percent below a year earlier. Commercial calf slaughter, which was down over 10 percent in 1966, showed a 12 percent drop in January-June this year compared with the same period a year earlier. Thus, total cattle and calf slaughter during the first 6 months this year was slightly smaller than a year earlier. Also, prospects are for some further slight decline in total cattle and calf slaughter during the second half. Even so, the cattle inventory is expected to show a further moderate decline during 1967.

In order for the January 1, 1968, inventory of cattle and calves to remain unchanged from a year earlier, total cattle and calf slaughter during July-December would have to be down around 5 percent from 1966. In view of current prospects, this level of slaughter does not appear likely. As in the past 2 years, the decline is expected to be limited to the dairy sector, with beef cattle numbers showing another slight increase. On balance, it appears likely that the cattle

inventory will decline by $\frac{1}{2}$ million head or more this year.

Increase In Fed Cattle Marketings To Narrow

Cattle feeders marketed 5.6 million head of cattle out of feedlots during April-June--up 9 percent from a year earlier. With marketing weights heavier than in 1966 and a larger proportion of steers in the slaughter mix, fed beef production during the spring was probably up 10 to 12 percent from April-June 1966.

Fed cattle marketings will continue large through the summer, but the increase over a year earlier is expected to narrow substantially. On July 1, there were 8.7 million head of cattle and calves on feed--down 2 percent from a year earlier. Nevertheless, cattle feeders stated intentions to market approximately 5.1 million head during July-September. This would be 2 percent more than in these months in 1966 and about 6 percent below April-June marketings. The combined total of steers weighing over 900 pounds and heifers weighing more than 700 pounds on July 1 was 3 percent larger than a year earlier--these weight groups will supply the bulk of marketings this summer.

The increase in fed cattle marketings this summer will not be uniform throughout

Table 1.--Number of cattle and calves on feed July 1, by regions, and percent change from previous year, 1962 to date

Year	North Central States			Texas	Western	Total
	East North Central	West North Central	Total	and Okla- homa	States	1/
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
1962	989	3,062	4,051	262	1,854	6,280
1963	1,199	3,598	4,797	330	1,981	7,210
Percent change from 1962	+21.2	+17.5	+18.4	+26.0	+6.8	
1964	1,140	3,571	4,711	364	1,988	7,245
Percent change from 1963	-4.9	-0.8	-1.8	+10.3	+0.4	
1965	1,201	3,824	5,025	439	2,257	7,928
Percent change from 1964	+5.4	+7.1	+6.7	+20.6	+13.5	
1966	1,268	4,280	5,548	635	2,451	8,858
Percent change from 1965	+5.6	+11.9	+10.4	+44.6	+8.6	
1967	1,273	4,252	5,525	695	2,313	8,724
Percent change from 1966	+0.4	-0.7	-0.4	+9.4	-5.6	

1/ 28 States until 1964 then 32 States.

the country. Feeders in the North Central States stated intentions to market 4 percent more cattle, while feeders in the Western States planned to market 5 percent fewer, with most of the decline occurring in California. Feeders in Texas and Oklahoma, the 2 other large feeding States, planned to increase marketings about 8 percent.

Prices of Choice steers at Chicago declined slightly during the early months of the year, reaching a low of \$24.66 per 100 pounds in April. Prices strengthened during the spring, although fed cattle marketings and fed beef production continued above a year earlier, and were larger than in the winter quarter. In June, Choice steers averaged about \$25.90--up \$1.20 from April and 40 cents above June 1966. By late July, Choice steers averaged \$26.40 per 100 pounds. With only a small increase in marketings in prospect this summer, compared to a year earlier, and a moderate decline from the high spring level, fed cattle prices are expected to show further moderate strength during the next several months.

On balance, fed cattle prices this summer likely will average 50 cents to \$1 above the July-September 1966 average of \$25.79, Choice steers, Chicago. In addition to the moderation in fed beef supplies, the increase in pork supplies, compared to a year earlier, is likely to narrow through the summer.

Decline Likely In Fall Marketings

Fed cattle marketings are expected to approach year-earlier levels in late summer and continue at or below 1966 levels through the fall. On July 1, the number of cattle on feed that will supply the bulk of marketings during the fall was down 6 percent. Steers 500 to 900 pounds were down 6 percent, while heifers weighing less than 700 pounds were down 7 percent. Whether or not marketings will be down proportionately this fall will depend on placements of heavier feeder cattle this summer.

Although the total supply of feeder cattle is down slightly from a year earlier, the supply is sufficient to permit

Table 2.--Number of cattle and calves slaughtered under Federal inspection, by class, United States, by months 1966 to date

Month	Steers		Heifers		Cows		Calves	
	1966	1967	1966	1967	1966	1967	1966	1967
	head	head	head	head	head	head	head	head
January	1,150	1,229	551	587	572	518	382	372
February	1,010	1,131	497	528	501	421	376	313
March	1,129	1,263	558	601	511	444	459	400
April	1,083	1,197	526	588	463	372	370	316
May	1,190	1,339	562	623	461	432	318	300
June	1,270	1,342	592	601	494	444	325	285
July	1,154		574		472		313	
August	1,247		657		523		361	
September	1,203		652		520		390	
October	1,135		617		546		389	
November	1,126		576		551		384	
December	1,149		573		506		366	
Total	13,846		6,935		6,120		4,432	

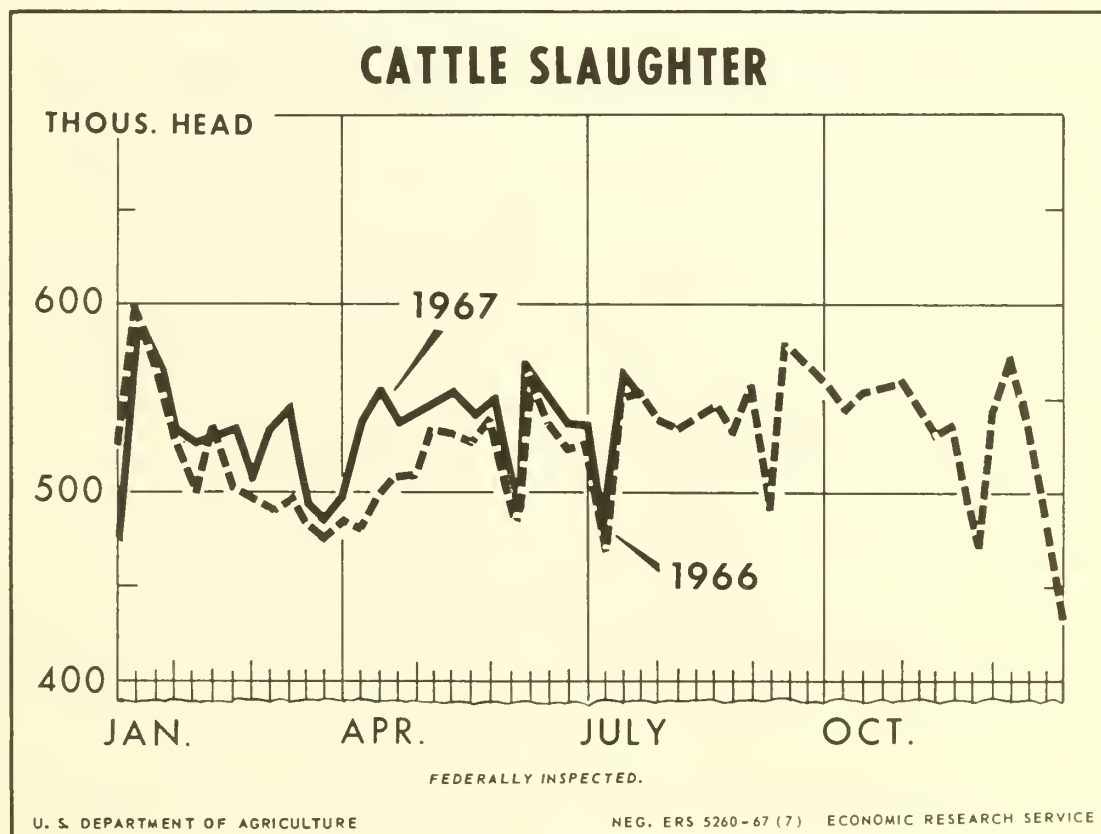
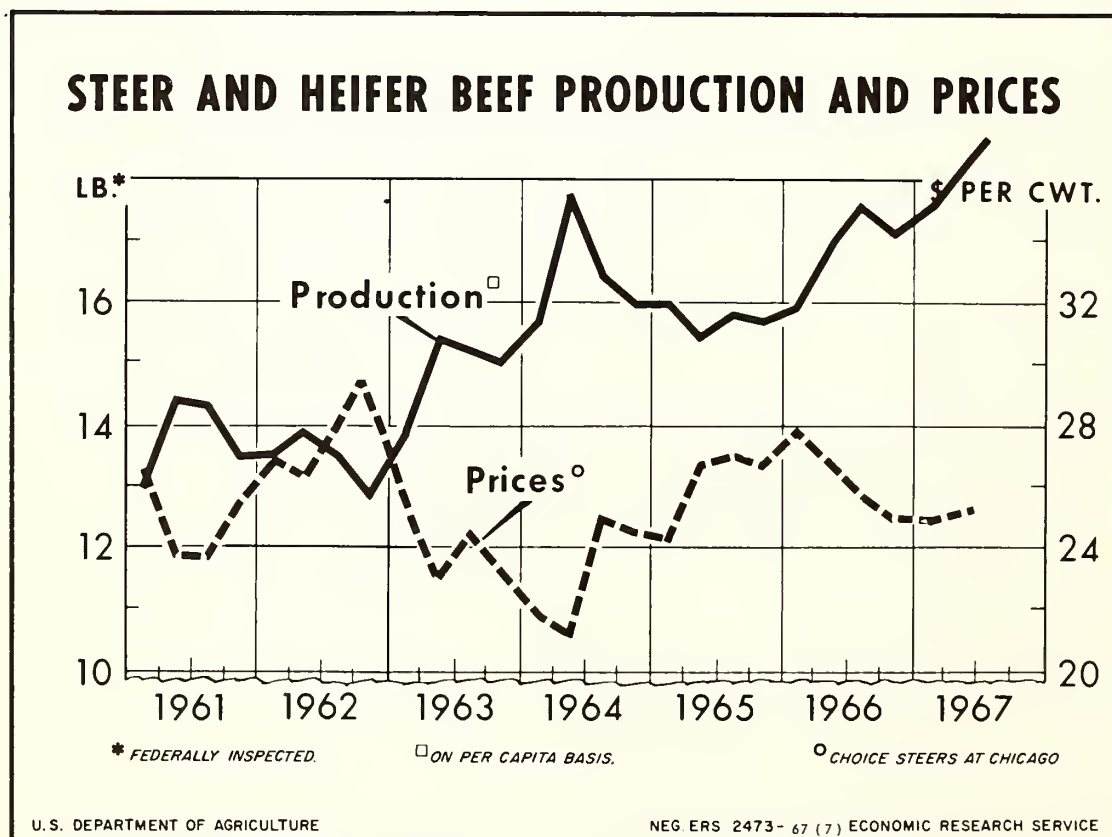


Table 3.--Steer and heifer beef production under Federal inspection, United States, by month, 1965-67

Month	Steer beef production			Heifer beef production		
	1965	1966	1967	1965	1966	1967
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
January	788	764	832	246	305	345
February	704	666	761	221	272	299
March	804	737	840	269	307	341
April	713	714	802	244	290	338
May	732	775	902	237	306	353
June	761	841	903	250	324	337
July	727	757		254	312	
August	714	814		298	359	
September	697	789		334	363	
October	677	754		338	352	
November	673	756		313	334	
December	721	782		296	334	



placements on feed this summer to equal or exceed year-earlier levels. However, range conditions are quite favorable in most areas. This will encourage ranchers to hold their younger cattle through the summer. Furthermore, the improving outlook for cattle prices and better range conditions likely will encourage cattlemen to hold more heifers for herd additions. This would further restrict the supply of cattle available for feedlot placement. However, some improvement in the current level of fed cattle prices, as well as a general improvement in the overall outlook, will encourage cattle feeders to maintain placements this summer. On balance, placements this summer are not expected to differ greatly from a year earlier, when they totaled 4.8 million head.

The anticipated strength in fed cattle prices this summer is expected to continue through the fall, if marketings fall to or below year-earlier levels, as now appears likely. A further strengthening factor is the prospect for a slight decline in pork supplies this fall compared to a year earlier. In addition to smaller pork supplies, non-fed beef production is expected to continue below year-earlier levels and beef imports are not expected to differ greatly from 1966.

Marketing Weights Declining

Fed beef production in the first half of the year was up even more than the increase in the number marketed as a result of heavier marketing weights. Weights of all steers sold out of first hands at 7 markets averaged 1,142 pounds during January-June--up 16 pounds from a year earlier. This amounts to 1 to 2 percent more beef per animal slaughtered than in the first half of 1966. During January-June, a total of 10.9 million head of cattle was marketed out of feedlots. The increase in weights this year compared to 1966 is equivalent to another 100,000 to 200,000 head of marketings. In terms of the effect on price, heavier marketing weights probably were more price depressing than a similar increase in marketings. There is only a limited demand for heavier beef carcasses. Thus, an excess supply of

this type beef tends to be more price depressing than a similar increase in lighter weight beef.

Although marketing weights during January-June averaged 16 pounds above 1966 levels, the increase over a year earlier narrowed considerably during June, when the weight of all steers averaged 1,134 pounds--up only 6 pounds from June 1966. In view of the price pressure on heavier weight cattle in the first half of this year, cattle feeders likely will tend to feed to lighter weights. However, differences may be small because prospects are for somewhat lower feed prices and stronger fed cattle prices, which may encourage some feeders to feed to heavier weights.

Feeder Situation Tightens

On January 1, the supply of young beef animals including those in feedlots and those available for later placement in feedlots or in breeding herds, totaled 49.2 million head--up over 600,000 head from a year earlier. By July 1, however, the total supply of young animals, excluding this year's calf crop, probably was down more than 100,000 head from a year earlier. Although calf slaughter was down sharply, this was more than offset by a more than 7 percent increase in steer and heifer slaughter and a decline of about a third in live cattle imports during January-May. The supply for feedlots could be reduced even more if the number of heifers added to breeding herds this summer and fall is larger than a year earlier.

In addition to somewhat fewer young beef animals available for feeding in the second half of the year, the makeup of the feeder supply is somewhat different than a year earlier. The number of steers, especially yearlings, is down substantially, while the number of heifers is up slightly. Although there are fewer feeder cattle, primarily steers, available for placement in feedlots during the rest of the year, the supply is more than adequate to maintain placements. This would hold marketings out of feedlots at or above year-earlier levels. However, any substantial increase in placements during the remainder of the

Table 4.--Average live weight of steers sold out of first hands
at 7 markets, by months, 1964 to date

LMS-156

PRIME

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1964	1,231	1,218	1,266	1,270	1,263	1,273	1,274	1,268	1,271	1,265	1,239	1,232	1,255
1965	1,239	1,237	1,249	1,253	1,261	1,249	1,240	1,244	1,252	1,227	1,218	1,213	1,238
Change from 1964	+8	+19	-17	-17	-2	-24	-34	-24	-19	-38	-21	-19	-17
1966	1,221	1,224	1,224	1,243	1,243	1,240	1,223	1,238	1,253	1,237	1,215	1,188	1,224
Change from 1965	-18	-13	-25	-10	-18	-9	-17	-6	+1	+10	-3	-25	-14
1967	1,202	1,212	1,226	1,229	1,245	1,245							
Change from 1966	-19	-12	+2	-14	+2	+5							

CHOICE

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1964	1,182	1,187	1,193	1,184	1,172	1,167	1,150	1,129	1,121	1,125	1,136	1,148	1,159
1965	1,155	1,152	1,142	1,141	1,136	1,130	1,113	1,101	1,098	1,100	1,118	1,134	1,126
Change from 1964	-27	-35	-51	-43	-36	-37	-37	-28	-23	-25	-18	-14	-33
1966	1,151	1,143	1,135	1,139	1,144	1,148	1,133	1,126	1,119	1,128	1,139	1,144	1,138
Change from 1965	-4	-9	-7	-2	+8	+18	+20	+25	+21	+28	+21	+10	+12
1967	1,159	1,156	1,152	1,153	1,155	1,143							
Change from 1966	+8	+13	+17	+14	+11	-5							

GOOD

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1964	1,129	1,124	1,119	1,096	1,080	1,062	1,038	1,024	1,040	1,050	1,069	1,074	1,076
1965	1,085	1,062	1,046	1,044	1,043	1,034	1,014	1,016	1,020	1,037	1,060	1,084	1,048
Change from 1964	-44	-62	-73	-52	-37	-28	-24	-8	-20	-13	-9	+10	-28
1966	1,098	1,076	1,066	1,060	1,072	1,070	1,047	1,038	1,046	1,068	1,100	1,124	1,071
Change from 1965	+13	+14	+20	+16	+29	+36	+33	+22	+26	+31	+40	+40	+23
1967	1,116	1,098	1,091	1,081	1,080	1,069							
Change from 1966	+18	+22	+25	+21	+8	-1							

ALL GRADES

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1964	1,166	1,168	1,170	1,152	1,140	1,134	1,115	1,099	1,094	1,102	1,114	1,121	1,132
1965	1,127	1,116	1,103	1,101	1,105	1,105	1,092	1,081	1,084	1,088	1,106	1,123	1,103
Change from 1964	-39	-52	-67	-51	-36	-29	-23	-18	-10	-14	-8	+2	-29
1966	1,141	1,127	1,118	1,119	1,126	1,128	1,113	1,112	1,111	1,122	1,139	1,145	1,125
Change from 1965	+14	+11	+15	+18	+22	+23	+21	+31	+27	+34	+33	+22	+22
1967	1,153	1,146	1,140	1,138	1,143	1,134							
Change from 1966	+12	+19	+22	+19	+17	+6							

AUGUST 1967

Table 5 ---Selected prices per 100 pounds of cattle, by months, 1966-67

Month	Chicago				Kansas City			
	Choice steers		Utility cows		Good feeder steers 550-750 lb.		Choice feeder steer calves	
	1966	1967	1966	1967	1966	1967	1966	1967
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	26.87	25.25	15.83	16.98	24.01	23.36	28.19	29.69
February	27.79	24.92	17.72	17.92	25.40	23.44	30.96	29.69
March	29.22	24.67	19.51	18.00	26.57	23.08	32.45	30.01
April	27.98	24.66	19.70	17.74	26.26	23.26	31.27	30.25
May	26.75	25.46	19.54	18.51	26.39	24.97	31.80	30.75
June	25.49	25.88	18.83	18.83	25.37	25.04	30.90	30.75
July	25.41	1/26.36	17.86	1/18.64	23.91	1/26.00	29.02	1/30.75
August	25.85		18.37		24.78		29.81	
September	26.11		18.46		24.88		30.21	
October	25.50		17.52		23.74		30.09	
November	24.94		16.53		23.55		29.71	
December	24.50		16.40		23.06		29.31	
Average	26.29		18.02		24.83		30.31	

1/ July is a 3-week average

year would reduce further the number of yearlings carried into 1968.

Feeder Prices To Continue Strong

Feeder cattle prices strengthened around \$1 per 100 pounds in May and June. In late July, Choice grade 550-750 pound feeder steers at Kansas City averaged \$27.75 per 100 pounds; this compared with \$26.39 in April 1967 and \$26.70 in July 1966. The price increase for lower grade steers was even larger, with Good grade 550-750 feeder steers at Kansas City averaging \$26.50 per 100 pounds in late July--up \$3.24 from April levels.

The late spring strength in feeder prices was in response to improved fed cattle prices, prospects for continued strong fed cattle prices through the summer and fall, and improved feed conditions throughout most of the range areas. The slight reduction in the total supply of feeders available, and in particular the shorter supply of yearling steers, was a further strengthening factor.

Feeder cattle prices in coming months are likely to hold around current levels and could show some further strength. With range feed supplies apparently adequate in most areas this summer and fall, ranchers will be able to hold feeder animals on grass longer than usual. This would result in a slower movement from the ranges than a year earlier. Furthermore, improved range conditions and the more favorable longer term outlook for cattle may also result in greater demand for replacement heifers. This would tend to reduce further the supply of animals available for feedlot placements.

Calf Crop Down 1 Percent

Slaughter Down 12 Percent

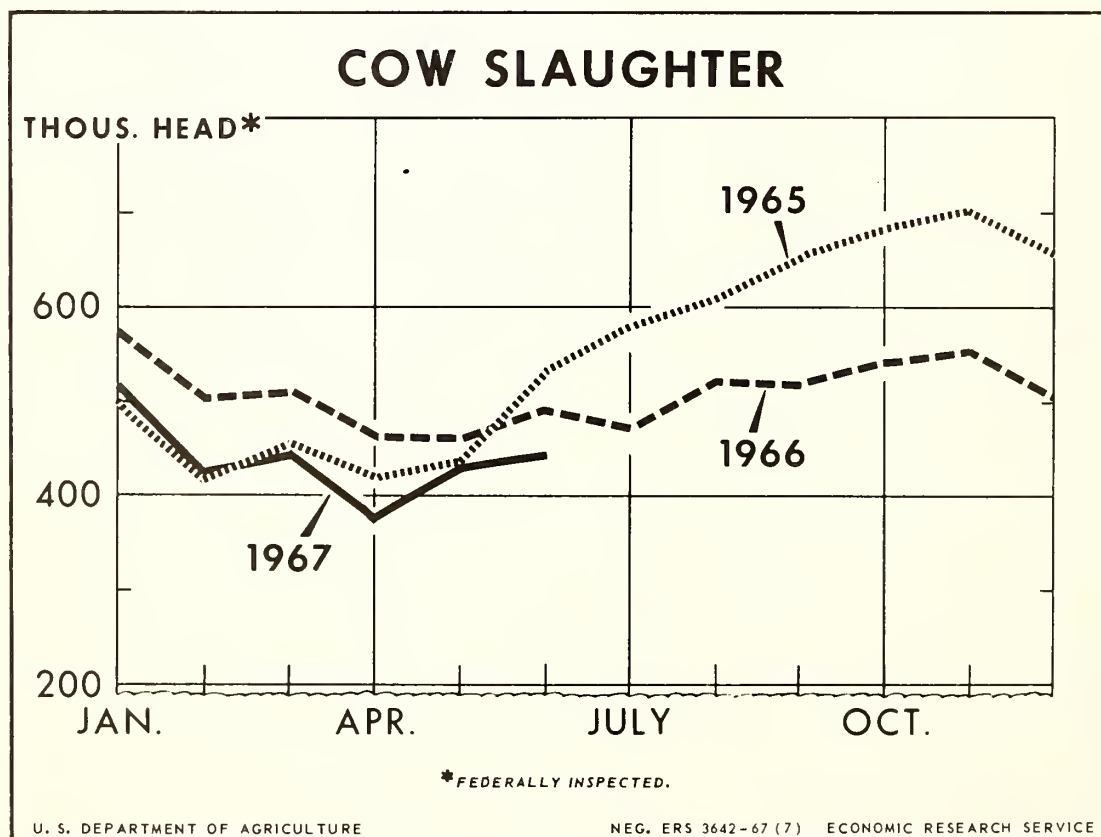
The 1967 calf crop totaled 43.1 million head--down 1 percent from a year earlier. A slight increase in the estimated number of beef calves was more than offset by a 4 percent decline in the dairy calf crop.

Although the total calf crop is down 417,000 head this year, the number of beef

Table 6.--Selected price per 100 pounds of cattle by months, Omaha, 1966-67

Month	Choice steers		Choice feeder steers 550-750 lb.		Utility cows	
	1966	1967	1966	1967	1966	1967
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	25.68	24.64	26.56	26.75	15.58	16.68
February	27.11	24.03	28.00	26.50	17.82	17.36
March	28.12	23.78	29.45	26.45	19.39	17.41
April	26.87	23.80	29.12	26.50	19.16	17.42
May	25.78	24.64	28.89	26.80	19.26	17.60
June	25.06	25.46	28.75	27.94	18.44	18.42
July	25.25	<u>1/26.32</u>	28.50	<u>1/28.92</u>	17.32	<u>1/18.62</u>
August	25.79		28.35		18.53	
September	25.70		28.59		18.50	
October	24.82		27.76		17.46	
November	23.96		26.80		16.21	
December	23.65		26.75		16.40	

1/ July is a 3-week average.



calves carried into 1968 likely will be up moderately from the 27.3 million on January 1 this year. This gain would reflect the continued decline in calf slaughter. Last year, calf slaughter totaled 6.9 million head--the smallest since 1916, when 6.6 million head were slaughtered. Calf slaughter showed another substantial decline during the first 6 months this year, with slaughter at 2.9 million head, 12 percent below the same period a year earlier. Even though calf slaughter during the rest of the year likely will not continue under year-earlier levels by as much as during the first part of the year, slaughter for 1967 likely will be 10 to 12 percent below 1966.

Cow Slaughter Down Sharply

Cow slaughter during the first half of this year totaled more than 14 percent lower than a year earlier. The decline reflects in part the reduced number of dairy cows on farms, hence a lower replacement rate, and also some apparent slackening in the overall reduction in dairy cattle numbers. An additional factor is that cow-calf operators may not be culling their herds as closely as a year earlier. Range conditions have improved in most areas since early spring and on July 1, range feed conditions in the 17 Western States were 83, up 6 points from a year earlier. In addition, the longer term outlook for feeder cattle prices appears to have improved.

Cow slaughter likely will show a seasonal increase late this summer and in the fall, but is expected to continue below 1966 levels. The decrease in slaughter from a year earlier, however, is likely to get smaller as the year progresses.

Utility cows at Chicago averaged \$18.25 per 100 pounds in late July--down slightly from a month earlier, but 80 cents above a year earlier. Prices are expected to average near or above the July-December 1966 average of \$17.50 per 100 pounds for Utility cows at Chicago. In addition to the smaller supplies of lower grade beef, by the end of the year supplies of pork likely will be smaller than a year earlier and imports of beef

during the rest of the year are expected to be about the same as in 1966.

Corn Belt Feeding Returns Lower Last Winter

Cattle feeders in the Corn Belt experienced substantially lower returns last winter than in either of the previous 2 winters. However, returns were still above the very unprofitable fall and winter feeding seasons of 1962 and 1963. Returns were relatively low last winter because most costs rose, while fed cattle prices this spring averaged lower than in the spring of 1966. Corn prices were 13 cents a bushel higher than a year earlier and the average cost of feeder steers at Kansas City during August-December 1966 was \$1.67 per 100 pounds higher than in these months a year earlier. Alfalfa hay and soybean meal were also more costly this year, although the increases were small. Transportation and marketing charges were mostly unchanged from a year earlier.

The difference in the price of fed cattle sold this spring and the price of feeder cattle purchased last fall was still on the plus side, 77 cents per 100 pounds, but much smaller than margins of \$3.23 and \$7.49 in the 2 previous feeding seasons. Cattle feeders selling finished cattle late this spring probably experienced higher returns than those selling several months earlier. Feeder cattle prices rose in 1965 and continued higher last year. Meanwhile, fed cattle prices declined in the second half of 1966 and last winter, but strengthened somewhat late this spring.

Returns to cattle feeders during the summer likely will improve a little over those last spring, because feeder cattle prices remained close to the fall lows into spring, while fed cattle prices are expected to rise further in the second half of 1967. However, grass conditions are favorable in most areas of the country and volume of movement of feeder cattle off grass is expected to be later this summer and fall than last. If cattle feeders step up feeding operations in the next

Table 7 --Average prices and costs in feeding steers in the Corn Belt, 1956 to date

Item	Feeding season beginning										
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Price:											
Choice grade beef steers sold out of first hands, Chicago, April-July, per 100 pounds	23.72	28.32	29.01	26.72	23.33	26.30	23.45	21.70	26.77	26.41	25.62
Feeder steers, Kansas City, August-December, per 100 pounds 1/	17.27	20.94	25.60	24.32	21.98	22.92	25.09	22.07	19.28	23.18	24.85
Corn, received by farmers North Central States, September-July, per bushel.....	1.205	1.019	1.032	.995	.970	1.009	1.069	1.105	1.15	1.12	1.25
Alfalfa hay, received by farmers North Central States, September-July, per ton	19.17	15.64	16.32	18.85	18.03	19.25	18.71	20.78	22.97	22.03	22.09
Soybean meal, 44 percent protein, wholesale, Chicago, September-July, per ton	57.97	63.49	61.75	59.37	63.17	65.31	74.96	76.37	73.93	83.29	84.00
Sales value, per head:											
Choice steers, 1,050 pounds	249.06	297.36	304.60	280.56	244.96	276.15	246.22	227.85	281.08	277.30	269.00
Cost, per head:											
Feeder steer, 700 pounds	120.89	146.58	179.20	170.24	153.86	160.44	175.63	154.49	134.96	162.26	173.95
Transportation from market to feedlot	4.48	4.89	5.30	5.30	4.84	4.62	4.62	4.62	4.62	4.62	4.62
Corn, 45 bushels	54.22	45.86	46.44	44.78	43.65	45.40	48.10	49.72	51.75	50.40	56.25
Alfalfa hay, 0.75 ton	14.38	11.73	12.24	14.14	13.52	14.44	14.03	15.58	17.23	16.52	16.57
Soybean meal, 150 pounds	4.35	4.76	4.63	4.45	4.74	4.90	5.62	5.73	5.54	6.25	6.30
Transportation and marketing expense	11.32	11.76	12.53	12.58	11.47	11.58	11.58	11.56	11.53	11.73	11.73
Total for items shown 2/	209.64	225.58	260.34	251.49	232.08	241.38	259.58	241.70	225.63	251.78	269.42
Margin, value over costs shown 2/	39.42	71.78	44.26	29.07	12.88	34.77	-13.36	-13.85	55.45	25.52	-0.42

1/ Average all weights and grades.

2/ Does not include overhead costs, cost of pasture or other feed ingredients and death loss, or credits for manure and for hogs following steers. The feed ration and prices shown are designed to be fairly representative of average feeding expenses in the Corn Belt, but do not necessarily coincide with the experience of individual feeders.

few months, feeder cattle prices will rise more than fed cattle prices. In

this event, margins next winter would not be as favorable to cattle feeders.

HOGS

Although hog slaughter was large early this year, the margin above a year earlier narrowed in the spring. In January, for example, slaughter was 32 percent above a year earlier, but in June it was only 10 percent larger. In total, commercial hog slaughter during the first half of 1967 was 16 percent larger than in January-June 1966. The supply-price situation, however, may be reversed by late 1967, with slaughter rates below and prices above a year earlier.

In 1966, the hog market was characterized by generally rising slaughter rates and declining prices. Compared with 1965, commercial hog slaughter in 1966 moved from 21 percent below a year earlier in January to 25 percent above in December. Barrow and gilt prices dropped from \$27.93 per 100 pounds at 8 markets in January to \$19.67 in December.

In response to the changing supply situation, hog prices varied considerably during the first half of the year. During January-April, barrows and gilts at 8 markets averaged \$18.72 per 100 pounds--down \$7 from a year earlier. However, as slaughter dropped in May and June from the high winter levels, prices advanced sharply. Barrows and gilts averaged \$22.06--up almost \$3 from winter levels, and about \$2 below year-earlier levels.

December-May Pig Crop Up 1 Percent

The production expansion that began in November 1965 and continued throughout 1966 apparently has ended. Although the December-May 1967 pig crop was approximately 1 percent larger than the 1966 spring crop, all of the increase was in the early months. A total of 2.4 million sows farrowed during December-February--up 5 percent from a year earlier; 3.9 million sows farrowed during March-May--down 2 percent from a year earlier.

These changes in farrowings should be reflected in hog slaughter during the balance of this year. Since hogs are generally marketed at 6 to 7 months of age, summer slaughter supplies will be drawn largely from the December-February farrowings. Summer slaughter rates will likely continue above year-earlier levels but the margin will narrow as the summer progresses. In the fall, when most of the March-May pigs are marketed, slaughter rates will probably drop below year-earlier levels, but will continue well above the very low levels of late 1965.

The June 1 inventory of hogs and pigs on farms in the 10 Corn Belt States suggests the same general pattern of marketings this summer and fall as was indicated by farrowings. For example, on June 1, there were 43.6 million hogs and pigs on farms in the 10 Corn Belt States--1 percent fewer than on June 1, 1966. Since the increase in farrowings last spring occurred in States outside the Corn Belt, this small decline in the Corn Belt likely was about offset, probably making the total U. S. inventory on June 1 about the same as or slightly larger than a year earlier.

In the 10 States, there were 9 percent more hogs weighing 180 pounds and over on June 1. These hogs provided the bulk of slaughter supplies in June and early July. There were only 3 percent more hogs weighing 60-180 pounds, which will provide most of the slaughter supply during the balance of the summer. The source of slaughter hogs this fall will be the pigs born in the last half of the spring season (March-May), which accounted for the bulk of pigs weighing under 60 pounds on June 1. There were 5 percent fewer pigs in this weight group than a year earlier. Thus, the June 1 inventory indicated that hog slaughter through the summer will continue above a year earlier, but by a smaller margin than in the spring. In the fall, however, slaughter is likely to drop moderately below 1966 levels.

Table 8.--Number of sows farrowing, pigs saved and pigs saved per litter, spring and fall pig crops, by regions, 1963 to date

DECEMBER-MAY							
Year	North Atlantic	North Central East West	South Atlantic	South Central	Western	United States	1/
	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>
Sows farrowing:							
1963	96	2,194	3,522	503	654	125	7,099
1964	80	2,046	3,341	449	561	114	6,596
1965	70	1,756	3,013	426	520	99	5,890
1966	77	1,802	3,197	462	570	105	6,219
1967	78	1,751	3,233	493	591	111	6,263
Pigs saved:							
1963	663	15,634	25,439	3,564	4,515	898	50,749
1964	552	14,747	24,351	3,241	3,942	809	47,682
1965	501	12,734	21,777	3,096	3,652	722	42,525
1966	546	13,290	23,492	3,368	4,027	787	45,552
1967	570	12,894	23,767	3,594	4,257	826	45,949
Pigs saved per litter:	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
1963	6.90	7.13	7.22	7.09	6.90	7.17	7.15
1964	6.85	7.21	7.29	7.22	7.03	7.12	7.23
1965	7.16	7.25	7.23	7.26	7.02	7.31	7.22
1966	7.04	7.38	7.35	7.29	7.06	7.52	7.32
1967	7.28	7.36	7.35	7.29	7.24	7.46	7.34
JUNE-NOVEMBER							
	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>
Sows farrowing:							
1963	83	2,051	2,709	431	585	123	5,987
1964	73	1,858	2,588	389	509	102	5,525
1965	67	1,624	2,341	378	492	97	5,006
1966	73	1,780	2,642	436	599	112	5,648
1967 2/	71	1,631	2,589	437	608	110	5,452
Pigs saved:							
1963	591	14,954	19,565	3,094	4,192	877	43,307
1964	528	13,473	18,643	2,785	3,632	758	39,862
1965	484	11,856	17,004	2,761	3,543	735	36,415
1966	533	12,529	18,597	3,075	4,147	837	40,965
1967							2/39,600
Pigs saved per litter:	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
1963	7.15	7.29	7.22	7.18	7.17	7.12	7.23
1964	7.21	7.25	7.20	7.20	7.14	7.31	7.21
1965	7.27	7.30	7.26	7.30	7.20	7.43	7.27
1966	7.44	7.26	7.25	7.28	7.15	7.58	7.25
1967							2/ 7.27

1/ 50-State total. 2/ Number indicated to farrow from intentions as of June 1, 1967. Average number of pigs per litter with allowance for trend used to calculate indicated number of pigs saved.

Table 9.--Number of sows farrowing and percentage distribution by months, spring and fall seasons, United States, 1960 to date 1/

December-May farrowings							
Year	Dec.	Jan.	Feb.	Mar.	Apr.	May	Total
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	head	head	head	head	head	head	head
1960	494	761	1,252	1,707	1,604	964	6,782
1961	506	772	1,243	1,707	1,745	1,045	7,018
1962	494	824	1,262	1,738	1,651	1,027	6,996
1963	566	856	1,171	1,656	1,769	1,081	7,099
1964	536	785	1,045	1,557	1,605	1,068	6,596
1965	517	708	953	1,404	1,395	913	5,890
1966	529	735	967	1,449	1,535	1,004	6,219
1967	587	758	1,006	1,437	1,471	1,004	6,263
Percentage distribution of December-May farrowings							
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1960	7.3	11.2	18.5	25.2	23.6	14.2	100.0
1961	7.2	11.0	17.7	24.3	24.9	14.9	100.0
1962	7.0	11.8	18.0	24.9	23.6	14.7	100.0
1963	8.0	12.1	16.5	23.3	24.9	15.2	100.0
1964	8.1	11.9	15.9	23.6	24.3	16.2	100.0
1965	8.8	12.0	16.2	23.8	23.7	15.5	100.0
1966	8.5	11.8	15.6	23.3	24.7	16.1	100.0
1967	9.4	12.1	16.1	22.9	23.5	16.0	100.0
June-November farrowings							
	June	July	Aug.	Sept.	Oct.	Nov.	Total
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	head	head	head	head	head	head	head
1960	875	872	1,288	1,499	862	443	5,839
1961	939	893	1,249	1,475	898	464	5,918
1962	933	890	1,318	1,565	913	479	6,098
1963	971	943	1,211	1,491	909	462	5,987
1964	959	861	1,083	1,379	811	432	5,525
1965	855	749	944	1,251	768	439	5,006
1966	947	916	1,047	1,389	869	480	5,648
Percentage distribution of June-November farrowings							
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1960	15.0	14.9	22.0	25.7	14.8	7.6	100.0
1961	15.9	15.1	21.1	24.9	15.2	7.8	100.0
1962	15.3	14.6	21.6	25.6	15.0	7.9	100.0
1963	16.2	15.8	20.2	24.9	15.2	7.7	100.0
1964	17.3	15.6	19.6	25.0	14.7	7.8	100.0
1965	17.1	15.0	18.8	25.0	15.3	8.8	100.0
1966	16.8	16.2	18.5	24.6	15.4	8.5	100.0

1/ Includes Alaska and Hawaii beginning 1962

Table 10.--Spring pigs saved, pork supplies and hog prices
the following July-December 1958-67

Year	Spring pig crop		Total or average for following July-December			
	Number	Percentage	Commercial slaughter	Consumption per person of commercially produced pork	Price received by farmers for hogs, per 100 pounds	
		change				
		from previous year				
	1000 head	Percent	1000 head	Mil.lb.	Pounds	Dollars
1958	51,354	.2	36,815	4,993	28.7	19.40
1959	56,620	10.3	42,576	5,773	32.8	12.70
1960	47,228	-16.6	37,670	5,217	29.9	16.40
1961	50,366	6.6	38,826	5,380	29.5	16.60
1962	49,535	-1.6	39,452	5,589	30.5	16.80
1963	50,749	2.4	41,783	5,975	31.7	15.40
1964	47,682	-6.0	41,044	5,970	32.0	15.30
1965	42,525	-10.8	35,416	5,196	27.4	23.70
1966	45,552	7.1	39,013	5,846	30.0	21.60
1967	45,949	.9	1/39,000	1/5,775	1/29.4	1/20.50-21.50

1/ Forecast.

The shifting pattern of hog slaughter this summer and fall will result in changes in the relative level of hog prices compared with July-December 1966. Prices for barrows and gilts, which averaged \$22.30 per 100 pounds at 8 markets in June, have strengthened somewhat and in late July averaged around \$22.40. Larger cold storage holdings of pork are an additional tempering influence on hog prices this summer. On July 1, pork stocks in cold storage totaled 291 million pounds--up 36 percent from a year earlier, but 25 percent below the seasonal peak on May 1.

The seasonal decline in hog prices is expected to be substantially smaller than the decline of nearly \$7 from mid-August to mid-December 1966. On balance, hog prices this fall are expected to average a little above those of a year earlier when barrows and gilts at 8 markets averaged \$20.37.

Slaughter Weights Lighter

Although over 9 percent more hogs were slaughtered during the spring quarter

than a year earlier, pork production was up less than 9 percent since slaughter weights averaged 4 pounds lighter.

Producers are expected to continue to sell slaughter hogs at somewhat lighter weights through the summer. Slaughter weights next fall and winter may be near year-earlier levels, especially if feed supplies are plentiful and prices are lower.

Heavier average slaughter weights generally result in large price discounts for heavy hogs. For example, last year the spread between 200-220 pound and 240-270 pound hogs averaged \$1.14 and in December was \$1.83. The spread has narrowed this year as average weights have declined and a smaller proportion of slaughter hogs above 240 pounds were marketed. In January, the price difference between 200-220 pound hogs and 240-270 pound hogs averaged \$1.43; and, in June, 86 cents. The narrower range is expected to continue this year as the supply of heavy slaughter hogs is expected to continue below a year earlier.

Table 11.--Selected prices per 100 pounds of livestock, by months, 1966-67

Month	Barrows and gilts at 8 markets <u>1/</u>		Sows at 8 markets <u>1/</u>		Choice lambs at Denver		Choice feeder lambs at S. St. Paul	
	1966	1967	1966	1967	1966	1967	1966	1967
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	27.93	19.46	23.84	15.52	27.72	<u>2/</u>	27.24	22.90
February	27.80	19.38	25.09	16.17	27.62	20.50	28.27	21.02
March	24.41	18.43	21.80	16.09	25.42	20.45	26.27	20.70
April	22.26	17.62	18.87	15.33	26.86	20.56	24.39	20.70
May	23.16	21.83	18.35	17.90	26.00	27.37	23.00	21.14
June	24.72	22.29	19.16	17.84	25.11	26.16	21.20	20.10
July	25.09	<u>3/22.76</u>	19.40	<u>3/18.38</u>	23.75	<u>3/24.53</u>	21.58	<u>3/22.25</u>
August	25.75		21.45		23.85		21.81	
September	23.16		20.91		23.89		22.54	
October	21.57		19.40		23.81		22.35	
November	19.87		16.86		23.02		21.58	
December	19.67		15.08		22.60		22.75	
Average	23.49		19.77		24.97		23.58	

1/ Average for all weights at Midwest markets. 2/ No price quoted. 3/ July is a 3-week average.

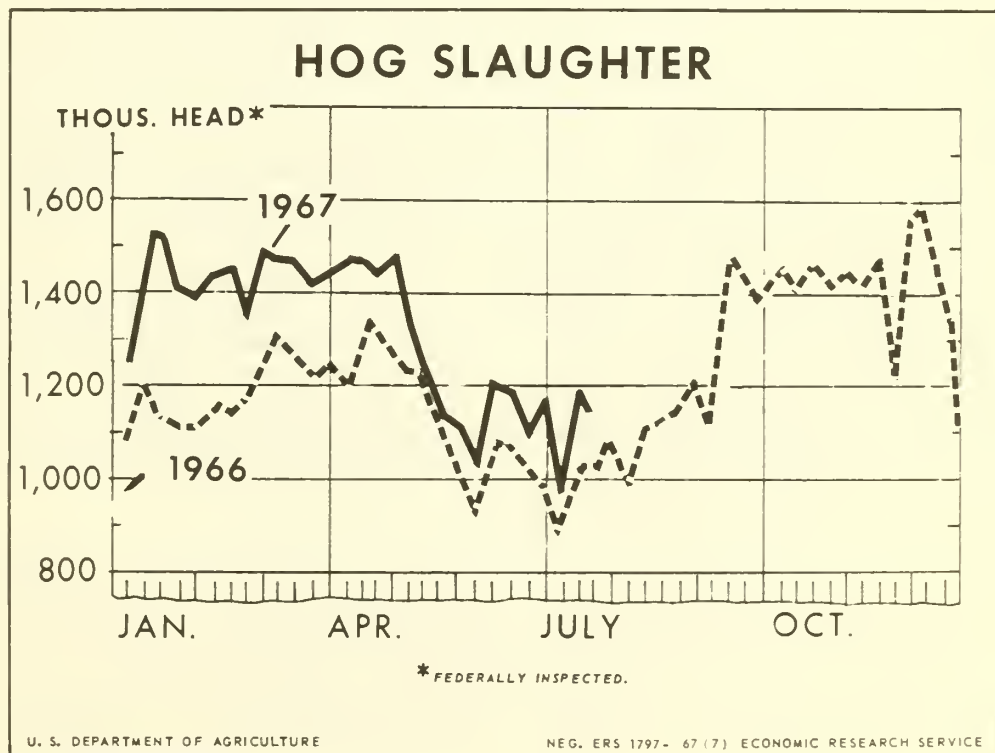


Table 12.--Hog-corn price ratio during fall breeding season, United States and North Central Region, arrayed according to United States ratio, and number of sows farrowing following fall, 1956-67

Year	Hog-corn price ratio		Number of sows farrowing following fall	Increase or decrease	
	March-June <u>1/</u>			from preceding fall	
	United	North		in sows farrowing	
	States	Central		Number	Percentage
		States			
			<u>1000 head</u>	<u>1000 head</u>	<u>Percent</u>
1966	19.2	19.4	5,648	642	12.8
1958	18.7	19.4	5,887	775	15.2
1961	16.4	16.6	5,918	79	1.4
1962	15.6	16.0	6,098	180	3.0
1965	15.5	15.8	5,006	-519	-9.4
1967	15.4	15.6	<u>2/</u> 5,452	-196	-3.5
1960	14.8	15.2	5,839	-289	-4.7
1957	14.4	14.9	5,112	-69	-1.3
1959	13.6	14.0	6,128	241	4.1
1963	13.1	13.4	5,987	-111	-1.8
1964	12.6	12.7	5,525	-462	-7.7
1956	10.8	11.0	5,181	-418	-7.5

1/ Based on prices received by farmer. 2/ Forecast.

June-November Farrowing Intentions Down

Based on June 1 farrowing intentions, it appears that the reduction in pork production expected this fall will continue through the first half of 1968. On June 1, hog producers stated intentions to have 3 percent fewer sows farrow during June-November than during the same period of 1966. Most of the intended reductions were in the North Central Region. The South Central and South Atlantic Regions showed slight increases. If these intentions materialize, hog slaughter during the first half of 1968 will average moderately below year-earlier levels and prices likely will average moderately above the \$19.84 average for barrows and gilts at 8 markets during January-June of this year.

The reduction in farrowings that began last March and which is expected to continue through this fall doesn't appear to be the beginning of an extended or substantial downturn in the production cycle. The rise in hog prices this spring was accompanied by a decline in corn prices.

This raised the hog-corn price ratio (farm basis) from 13.5 in April--the lowest since January 1965--to about 17 in May and June. In July, the ratio topped 17. While the ratio will decline this fall and winter, when hog prices decline seasonally, it will likely average above a year earlier. This may encourage hog producers to stabilize or perhaps increase production.

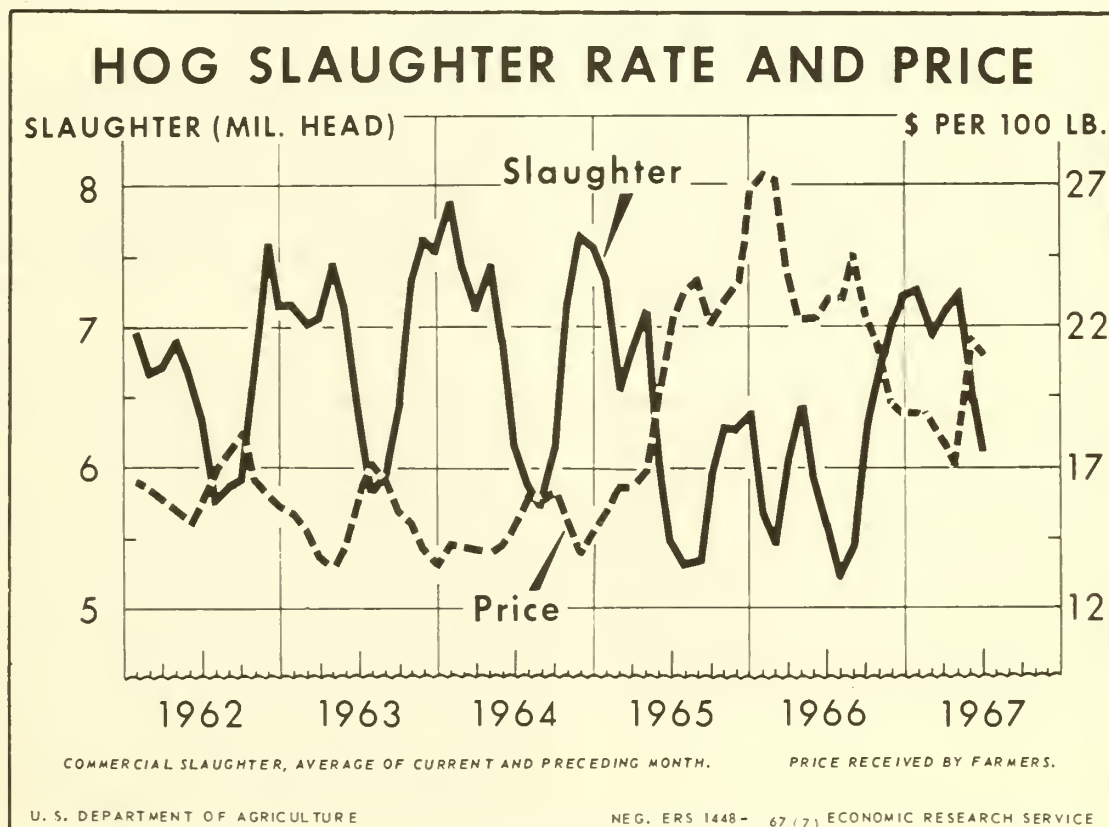
Output of feed grains in 1967, based on the July 1 Crop Report, is expected to be about 8 percent above a year earlier. The corn crop was estimated to be 10 percent larger than in 1966. This larger production will tend to lower feed costs, which will also tend to encourage expansion of hog production.

Intended cutbacks in the number of sows to farrow during June-November were relatively small. This suggests there is no general move to cut output very substantially. However, sows to farrow during June-September were already bred when the June 1 intentions were expressed. Thus, any increase in sows farrowing over June 1

Table 13.--Hog prices, corn prices, and hog-corn price ratio, by months, 1965 to date

Month	Hog price <u>1/</u>			Corn price <u>1/</u>			Hog-corn price ratio <u>2/</u>		
	1965	1966	1967	1965	1966	1967	1965	1966	1967
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.			
Jan.	15.50	27.30	18.90	1.18	1.19	1.28	13.1	22.9	14.8
Feb.	16.40	27.20	18.80	1.20	1.20	1.26	13.7	23.7	14.9
Mar.	16.40	24.00	17.90	1.21	1.17	1.28	13.6	20.5	14.0
Apr.	16.90	22.10	17.00	1.23	1.19	1.26	13.7	18.6	13.5
May	19.70	22.30	21.70	1.26	1.21	1.25	15.6	18.4	17.4
June	22.40	23.20	21.00	1.25	1.20	1.26	17.9	19.2	16.7
July	23.20	23.20	21.40	1.22	1.27	1.21	19.0	18.3	17.7
Aug.	23.70	24.50		1.18	1.34		20.1	18.3	
Sept.	22.10	22.30		1.18	1.35		18.7	16.5	
Oct.	22.90	21.20		1.10	1.29		20.8	16.4	
Nov.	23.50	19.30		1.04	1.26		22.6	15.3	
Dec.	26.90	18.90		1.13	1.29		23.8	14.7	
Year	20.60	22.80		1.16	1.29		17.7	18.5	

1/ Average price received by farmers, hogs, dollars per 100 pounds for corn dollars per bushel. 2/ Bushels of corn equivalent in value to 100 pounds of hog, live weight.



intentions could not be realized until late fall.

Regional Differences In Hog Production

Reductions in the number of sows farrowed during March-May was not general throughout all regions of the United States. Practically all of the decline occurred in North Central Region. The number of sows that farrowed during March-

May in this 12 State area accounted for 83 percent of total farrowings. Hog producers in the South Atlantic and South Central Regions increased farrowings 6 percent. Farrowings in these 2 regions accounted for about 14 percent of the total. The West showed a 6 percent decline but accounted for only 2 percent of total farrowings. The North Atlantic Region showed no change from a year earlier and accounted for only 1 percent of total farrowings.

SHEEP AND LAMB

Sheep and lamb slaughter during the first half of this year was up 2 percent from a year earlier. Although this was only a slight increase from a year earlier there were substantial changes in the pattern of slaughter during the period. In January-March, commercial slaughter totaled 3.4 million head--up 14 percent from a year earlier. However, slaughter fell below 1966 levels in (late March) and continued below through the spring. During April-June, sheep and lamb slaughter totaled 3.0 million head--down 9 percent from a year earlier and 12 percent below that of the previous quarter.

Lamb prices reflected the changes in the slaughter pattern. During the winter fed lamb prices remained relatively stable. Choice lambs averaged around \$22.00 per 100 pounds at most markets--down \$5-\$6 from a year earlier. Also, the premiums paid in late winter and early spring for spring lambs amounted to only \$1-\$2.

Lamb prices advanced sharply in April as slaughter rates dropped below the high winter levels. Although prices declined in late May and June, the April-June average of \$24.70 per 100 pounds for Choice lambs at Denver was \$4.22 above the January-March average and \$1.29 below a year earlier. In July, weekly sheep and lamb slaughter rates averaged 5 percent below a year earlier, while lamb prices at most markets averaged around \$2 above the 1966 level.

1967 Lamb Crop Smaller

The 1967 lamb crop totaled 15.0 million head, 6 percent less than a year earlier. The lambing rate (number of lambs saved per 100 ewes 1 year and older on hand January 1) at 92 percent, was 2 points below 1966. In the Western States (11 Western, South Dakota and Texas) the lambing rate was 87 percent compared with 91 in 1966 while the rate in the Native States was 106 percent, up 2 points from the previous year.

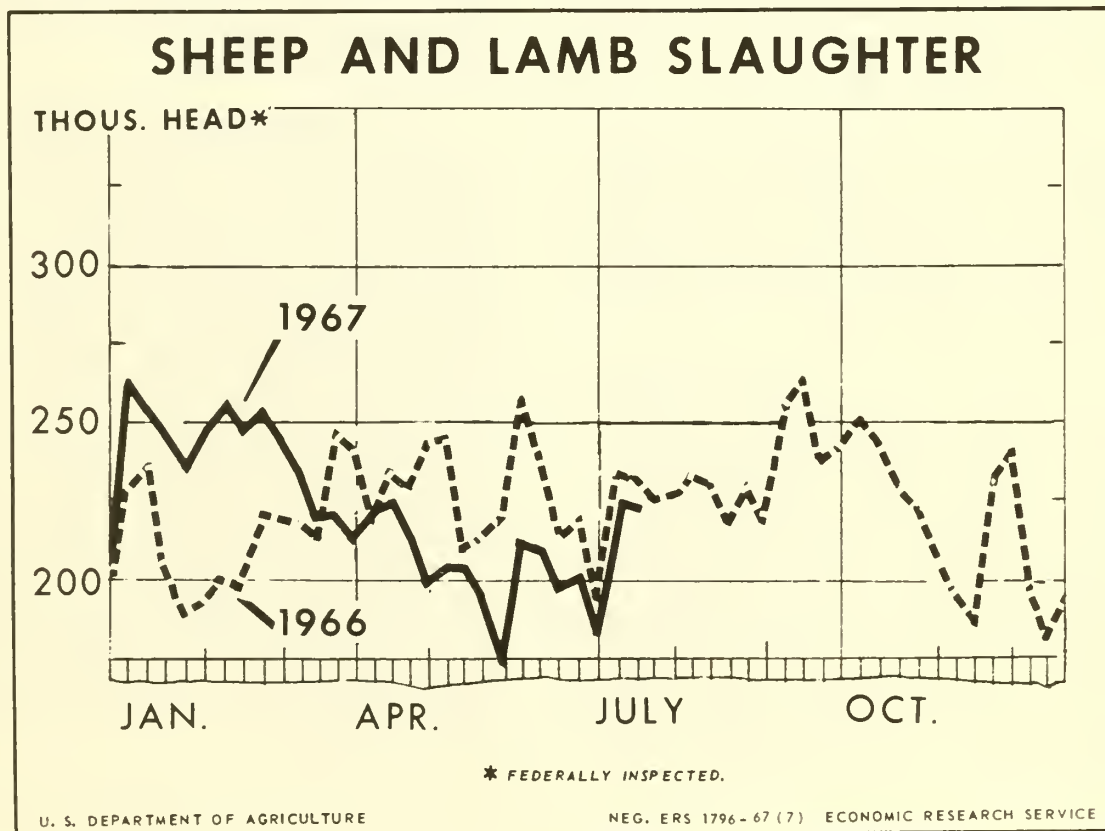
In the Western States there were 2 percent fewer breeding ewes on farms and ranches January 1, 1967 than a year earlier but a lower lambing rate resulted in a 6 percent smaller lamb crop. In the 35 Native States, there were 8 percent fewer breeding ewes, but a higher lambing rate resulted in only a 6 percent smaller lamb crop.

Sheep and lamb production has been declining more rapidly in the Eastern United States than in the West over the past several years. For example, on January 1, 1957, 66 percent of the breeding ewes on farms and ranches were in the 11 Western States, Texas and South Dakota. Five years later the proportion was up to 70 percent in this Western Region and on January 1, 1967, it was 73 percent. This gradual shift of the sheep industry to the Western States is expected to continue. Alternative uses for land in the 35 Native States, expanding acreage of individual farm units, and continued specialization in agriculture apparently

Table 14.--Balance sheet for sheep and lambs,
United States, 1956 to date

Year	: Number : : on farms : : Jan. 1 :	: Born : : during : : year :	: Net : : exports :	: Slaugh- : : ter :	: Deaths : : :	: Adjust- : : ment : : factor :	: Number : : on farms : : Dec. 31
	: 1,000 : head	: 1,000 : head	: 1,000 : head	: 1,000 : head	: 1,000 : head	: 1,000 : head	: 1,000 : head
1956	: 31,157	20,336	+57	16,328	4,322	-132	30,654
1957	: 30,654	19,810	+18	15,292	4,353	+416	31,217
1958	: 31,217	20,686	-22	14,495	4,350	-474	32,606
1959	: 32,606	21,120	-54	15,528	4,539	-543	33,170
1960	: 33,170	21,012	-14	16,240	4,590	-641	32,725
1961 ^{1/}	: 32,725	20,782	+27	17,537	4,499	-475	30,969
1962	: 30,969	19,712	+16	17,168	4,437	+116	29,176
1963	: 29,176	18,516	+28	16,147	4,157	-244	27,116
1964	: 27,116	16,994	+10	14,895	4,062	-16	25,127
1965	: 25,127	16,312	+6	13,300	3,910	+511	24,734
1966	: 24,734	15,879	+51	13,001	3,627	-207	23,727
1967	: 23,727	14,988	<u>2/</u> +50	<u>2/</u> 12,518	<u>2/</u> 3,480		22.5-22.9

^{1/} Beginning 1961, 50-State total. ^{2/} Estimated.



do not favor expanding farm flock sheep production.

Slaughter Likely To Continue
Under A Year Earlier

Lamb slaughter during the balance of 1967 likely will continue below year-earlier levels as a result of the 6 percent smaller lamb crop. Also, improved range conditions may encourage producers, particularly in the Western States, to withhold a larger number of ewe lambs for herd replacements than a year earlier.

Although fewer feeder lambs are normally shipped during the spring months than any other season of the year, shipments into the Corn Belt this spring were down 40 percent from a year earlier and well below other recent years. This sharp decline in feeder lamb movement together with the 9 percent decline in sheep and lamb slaughter during the spring quarter suggest sheepmen are withholding more ewe lambs this year than last. This is a greater reduction in shipments and slaughter than would normally be expected from the 4 percent smaller early lamb crop in the Western States.

Improved grass conditions, however, may alter the lamb marketing pattern later this year and in early 1968. A larger proportion of lambs may be moved directly off grass to slaughter. This would tend to reduce the number of lambs available for feedlot placement and slaughter later this year and next winter.

In late July, Choice slaughter lambs at San Angelo averaged \$23.50 per 100 pounds. This was more than \$2 below the peak prices in May, but more than \$3 above a year earlier. With slaughter levels expected to continue below last year's, lamb prices probably will continue higher than a year earlier. However, a bulge in marketings, resulting from heavy movement of lambs off grass to slaughter this summer or early next fall could push lamb prices down to 1966 levels. This probably would lend additional strength to lamb prices later in the year.

Lamb Weights Decline

Although lower lamb prices early this year were largely the result of sharply higher slaughter rates, heavy slaughter weights also contributed to price weakness. Slaughter weights of lambs last winter averaged about 106 pounds per head--about the same as the record heavy weights of a year earlier. However, average weights in the spring dropped below high winter weights as well as below weights of a year earlier. The reduction in weights was largely the result of fewer fed lambs in the slaughter supply compared with both last winter and the spring quarter of 1966.

The current level of lower marketing weights likely will continue through the balance of 1967. If range feed conditions continue favorable this summer and fall, a larger proportion of slaughter lambs will be marketed off grass than a year earlier. This will tend to reduce average weights of slaughter lambs. Also, following the relatively low prices last fall and winter and the large discounts on heavy lambs, feedlot operators may tend to shorten feeding periods and market fed lambs at lighter weights.

Price spreads between different weights of lamb carcasses of the same grade indicate that the current supply of heavy lambs is about in balance with market demand. For example, 30-40 pound Choice and Prime grade lamb carcasses and 55-65 pound carcasses of the same grade have been selling at about the same price this summer. Last winter, the heavier weight carcasses were discounted as much as \$8 per 100 pounds. In early summer 1966, the discount on heavy carcasses amounted to about \$1.50. Until later in the year when fed lambs again make up a larger part of the slaughter supply, no more than occasional marginal discounts are expected. However, if the slaughter supply of fed lambs this fall and winter is reduced as a result of moving more lambs to slaughter off grass, discounts on heavy weights likely will be smaller than during the past feeding season.

Continued Decline In Inventory Numbers

The number of sheep and lambs on farms on January 1, 1968, likely will show a further decline from a year earlier. Although slaughter in the second half is expected to be down from 1966, the decrease probably will not be large enough to prevent a further inventory decline this year--the 8th in a row. Considering the 2 percent increase in slaughter during the first 6 months of the year, second half sheep and lamb slaughter would have to be down around 25 percent to stabilize the inventory. This would mean an average weekly slaughter rate under Federal inspection near 170,000 head.

Such a low level of slaughter presently appears unlikely.

Wool Production
Down 3 Percent

Shorn wool production in the United States this year is estimated at 189 million pounds, grease basis--3 percent below a year earlier. The Western clip (11 Western States, Texas, and South Dakota) is estimated at 143.4 million pounds--1 percent below the 1966 clip. Output in the 35 Native States, at 45.3 million pounds is 7 percent less than in 1966. Average weight per fleece is expected to be about 8.5 pounds--the same as a year earlier.

FOREIGN TRADE IN MEAT

Imports of red meats totaled 666 million pounds (carcass weight equivalent) during January-May--up 7 percent from a year earlier. All of the increase, however, occurred in beef and veal, which were up 16 percent from 1966 levels. Imports of lamb during this period were down 50 percent, mutton and goat, down 19 percent; and pork, down 3 percent.

Imports of beef and veal during the rest of the year are likely to continue around year-earlier levels. However, lamb and mutton imports are expected to increase in response to relatively higher prices in the second half. They likely will equal or exceed year-earlier levels during the remainder of the year. With prospects for smaller domestic pork production late in the year and larger supplies in countries that traditionally export to U.S., pork imports are likely to be near year-earlier levels.

Exports of red meats during the first 5 months of this year totaled 47.5 million pounds--up 25 percent from a year earlier. Exports of all meats were up, with the largest increase occurring in pork--up 42 percent from the low levels of a year earlier. Although meat exports were up by a fourth during January-May, they still accounted for less than .4 percent of total production during this period. With some tapering off in production this summer and

fall, compared to the first half of the year as well as a year earlier, meat exports during the rest of the year are likely to fall to around year-earlier levels.

Meat Imports Subject To Quota

Public Law 88-482, enacted in August 1964, provides that if yearly imports of certain meats (primarily fresh, chilled, or frozen beef and veal) are estimated to equal or exceed 110 percent of the adjusted base quota, the President is required to invoke a quota on these items. The adjusted base quota for 1967 is 904.6 million pounds (product weight). The level of imports which would trigger its imposition is 995 million pounds.

Imports of the items covered by the legislation totaled 308 million pounds during January-May, up 11 percent from a year earlier. The third quarterly estimate of annual imports of the items in 1967--860 million pounds--was announced in June. This was 40 million pounds less than the level estimated in March, but about 37 million pounds more than a year earlier. With this quantity of imports for the year, imports of these items during the rest of the year are expected to average about the same as a year earlier. Thus, imports of meat in 1967 subject to restriction by the quota are expected to be slightly larger than a year earlier but continue below the level permitted by the legislation.

MEAT CONSUMPTION AND PRICES

Red meat production in the first half of 1967 totaled around 17 billion pounds--8 percent above a year earlier. Beef and pork production were up 6 and 15 percent; lamb and mutton production was about the same, while veal production was down 14 percent. In addition, meat imports were up moderately.

Per capita red meat consumption during January-June was up over 5 pounds from the 83 pounds consumed during the same period a year earlier. A major proportion of the increase occurred in pork consumption, which was up nearly 4 pounds during

January-June from the relatively low level of 28 pounds a year earlier. Beef consumption during the first half of the year totaled almost 53 pounds per person--up around 2 pounds from a year earlier. Per capita lamb and mutton consumption totaled approximately 2 pounds--down slightly from a year earlier. Less than 2 pounds of veal were consumed per person--down almost 1/2 pound from a year earlier.

In the second half of the year, per capita consumption of red meat is expected to be down by a pound or more from the 88 pounds consumed a year earlier--with most of the decline occurring in the fourth

Table 15.--Meat subject to U.S. import quota restriction: Product weight
of imports by months, average 1959-63, 1964-67

Year	January	February	March	April	May	June	July
	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>
1959-63 average	47,342	49,596	57,539	54,254	48,514	58,564	67,110
1964	87,232	44,873	68,877	61,363	51,113	98,152	43,726
1965	28,181	34,498	68,654	32,404	52,329	42,062	58,512
1966	51,397	60,341	49,419	63,334	51,954	100,222	61,361
1967	77,357	58,514	61,884	58,810	51,483		
	August	September	October	November	December	Total	
	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>
1959-63 average	84,131	76,055	61,599	56,106	61,396	722,206	
1964	79,453	49,651	46,384	55,726	53,363	739,913	
1965	59,917	62,208	64,411	57,281	53,747	614,204	
1966	87,076	91,471	79,746	61,062	66,052	823,435	
1967							

Table 16.--U. S. meat imports and exports: January-May 1966-67
and percentage comparisons (carcass weight)

Item	1966				1967				Percent change	
	Jan.- Apr.	May	Jan.- May	Jan.- Apr.	May	Jan.- May	Jan.- Apr.	May	Jan.- May	May
Imports										
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>Percent</u>	<u>Percent</u>
Beef and veal	319,102	70,336	389,438	375,424	76,814	452,238	+18	+9	+16	
Lamb	7,028	1,354	8,382	3,369	811	4,180	-52	-40	-50	
Mutton and goat	39,197	14,090	53,287	35,248	8,119	43,367	-10	-42	-19	
Pork	144,168	28,427	172,595	134,386	32,257	166,643	-7	+13	-3	
Total meat	509,495	114,207	623,702	548,427	118,001	666,428	+8	+3	+7	
Exports										
Beef and veal	14,451	2,890	17,341	14,701	3,769	18,470	+2	+30	+7	
Lamb and mutton	683	263	946	680	274	954	-0.4	+4	+1	
Pork	14,758	5,040	19,798	23,821	4,210	28,031	+61	-16	+42	
Total meat	29,892	8,193	38,085	39,202	8,253	47,455	+31	+1	+25	

quarter. Pork consumption is expected to be about the same as a year earlier while beef, veal, and lamb and mutton consumption are expected to be down from 1966 levels.

Retail Prices Stronger

In the first 6 months of the year, retail prices of beef, pork, and lamb averaged below year-earlier levels, while veal prices were up moderately. The sharpest price decline occurred in pork, which was down almost 9 cents per pound from the January-June 1966 average of 75 cents per pound. Choice beef at retail averaged 83 cents--down almost 2 cents per pound. Choice lamb averaged more than 85 cents per pound--down nearly 1 cent from a year earlier. With some tapering off in supplies expected during the second half of the year, retail meat prices are likely to strengthen from spring levels and average above year-earlier levels.

Retail pork prices this summer are not likely to exceed year-earlier levels, since supplies continue above 1966 levels. However, prices next fall are not likely to show as large a seasonal decline, since supplies late in the year are expected to be smaller than a year earlier. On balance, retail pork prices during the second half of the year are not likely to differ

greatly from the 72 cents a pound of a year earlier.

Last year, retail beef prices generally weakened from the late winter and early spring high. The pattern this year is likely to be somewhat different. Although retail prices were relatively stable during the first part of the year, the trend was downward. With the strength experienced in live cattle prices during late spring and some further price increase likely during the summer and fall, retail prices likely will increase from the May low of just over 82 cents per pound. They likely will average somewhat above the July-December 1966 average of slightly more than 84 cents per pound during the rest of the year.

Veal prices, which were up more than 4 cents per pound from a year earlier during January-June, are expected to continue well above 1966 levels as a result of the continued decline in supplies.

Retail lamb prices, which were down moderately from a year earlier during the winter strengthened to 1966 levels by May. With continued smaller supplies in the second half of the year, retail prices during the rest of the year likely will be up slightly from 1966 levels.

USDA MEAT PURCHASES

USDA purchased about 130 million pounds of meat and meat products during the first half of 1967, at an f.o.b. cost of \$69.3 million. Some 18 million pounds of canned beef with natural juices were purchased with \$11.1 million of Section 6 funds for school lunch programs. To help stabilize livestock prices, about 65 million pounds of canned chopped meat (costing \$28.5 million f.o.b.) and almost 47 million pounds of Choice grade or better frozen boneless roasts and ground beef (costing \$29.7 million) were purchased under Section 32. Most of the canned chopped meat is being distributed primarily to needy families, although

about 27 million pounds of it, along with 44 million pounds of the frozen beef will be available for schools this fall. These programs were terminated by the end of June--canned beef in February, canned chopped meat in mid-May, and frozen beef in late June.

Estimated carcass weight equivalent of beef and pork purchased in January-June under the 3 programs were about 1 percent of beef and pork production during the 6 month period.

Table 17.--Average retail price of meat per pound,
United States, by months, 1964 to date 1/

Pork

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
1964	55.8	55.8	55.3	54.9	54.6	54.8	56.7	57.6	59.6	58.3	56.9	56.2	56.4
1965	56.4	56.9	57.2	57.4	58.0	63.8	68.4	70.3	70.5	69.7	69.4	72.9	64.2
1966 <u>2/</u>	77.6	78.8	78.0	73.3	71.6	72.4	73.0	73.6	74.1	72.7	69.8	68.0	73.6
1967	67.8	66.9	66.2	64.9	64.0	69.5							

Beef, Choice grade

1964	77.8	78.2	76.6	76.6	76.0	75.4	77.3	77.6	80.7	80.1	79.1	78.7	77.8
1965	78.9	78.4	78.5	78.3	79.2	84.1	85.0	83.9	83.8	83.2	82.5	82.9	81.6
1966 <u>2/</u>	83.3	84.4	86.1	86.7	85.2	84.6	84.2	84.3	84.7	84.6	83.2	84.0	84.6
1967	83.2	83.8	83.2	82.5	82.2	84.3							

Lamb, Choice grade

1964	72.4	70.9	72.4	71.1	71.8	72.7	74.0	75.5	76.3	75.8	75.4	75.4	73.6
1965	75.5	74.7	76.5	77.6	78.5	81.5	83.9	82.9	82.1	81.0	80.7	79.6	79.5
1966 <u>2/</u>	82.2	86.4	88.5	87.0	86.3	87.3	87.6	87.0	86.0	85.7	86.9	85.4	86.4
1967	85.2	84.2	84.1	83.6	86.2	89.8							

Veal, retail cuts

1964	82.2	82.0	82.4	83.1	82.4	81.6	81.9	81.4	82.2	81.6	80.8	81.2	81.9
1965	82.6	83.8	82.3	82.1	82.7	81.5	83.8	83.9	82.7	84.3	81.6	81.8	82.8
1966 <u>2/</u>	84.0	88.1	88.3	89.1	87.3	89.4	89.8	89.2	89.9	89.8	89.0	89.8	88.6
1967	91.6	90.1	91.2	92.7	92.1	93.6							

1/ Since July 1964, the BLS has collected prices in 50 urban areas, only 14 of which were in the group of 46 urban areas where prices formerly were collected. The retail price of pork now published is an estimated weighted average of prices of the principal retail cuts and sausage. Formerly, prices of sausage were not included.

2/ Beginning January 1966 BLS collects retail prices from six additional cities.

Table 18.--Retail prices and Farm-retail spread for meat
by years, 1956-65, by months 1966 to date

Year and month	Retail price or cost			Farm-retail spread	
	All meat	Beef,	Pork		
	products <u>1/</u>	Choice	ex. lard	Beef	Pork
		per pound	per pound		
	Dollars	Cents	Cents	Cents	Cents
1956	239.37	66.0	51.9	26.9	26.2
1957	265.68	70.6	60.0	28.1	28.3
1958	299.97	81.0	64.5	30.1	29.1
1959	289.49	82.8	56.9	31.3	31.1
1960	284.41	81.0	56.5	32.8	28.6
1961	285.64	79.2	59.0	32.9	29.1
1962	292.44	82.4	59.3	31.7	29.8
1963	286.35	81.0	57.3	34.4	30.2
1964	280.26	77.8	56.4	35.4	29.7
1965	303.23	81.6	64.2	34.8	27.6
1966					
January	333.49	83.3	77.6	35.4	30.1
February	340.13	84.4	78.8	34.1	30.0
March	343.34	86.1	78.0	30.3	35.3
April	335.45	86.7	73.3	34.1	34.0
May	328.44	85.2	71.6	33.8	33.7
June	328.81	84.6	72.4	36.1	29.8
July	328.67	84.2	73.0	35.5	29.1
August	329.99	84.3	73.6	35.5	29.1
September	332.07	84.7	74.1	35.1	32.8
October	329.33	84.6	72.7	36.6	34.8
November	320.58	83.2	69.8	37.4	35.7
December	318.28	84.0	68.0	36.6	33.5
TOTAL	330.71	84.6	73.6	35.0	32.5
1967					
January	315.78	83.2	67.8	35.3	34.2
February	315.50	83.8	66.9	35.8	33.4
March	313.35	83.2	66.2	35.0	33.5
April	309.95	82.5	64.9	35.1	34.8
May	307.42	82.2	64.0	35.7	32.7
June	322.37	84.3	69.5	34.3	30.2
July					
August					
September					
October					
November					
December					
TOTAL					

1/ Composite value of meats in "Market Basket".

1966 FARM CASH RECEIPTS
FROM MEAT ANIMALS

Cash receipts from farm marketings of meat animals totaled \$14.9 billion in 1966--15 percent above 1965. Receipts were larger for all classes of meat animals. Receipts from cattle totaled \$10.4 billion in 1966, up \$1.5 billion. Receipts from hogs rose to \$4.1 billion up \$.4 billion from 1965. Receipts from sheep and lambs totaled \$338 million--up \$9 million from 1965.

Receipts from meat animals in 1966 were the largest in recent years--32 percent of total cash receipts for all farm commodities and government payments--up from 31.2 percent in 1965. Of total cash receipts, cattle and calves accounted for 22.4 percent, hogs for 8.9 percent, and sheep and lambs for 0.7 percent. Receipts from cattle accounted for 70 percent of cash receipts from meat animals while hogs for 27.7 percent, and sheep and lambs for 2.3 percent.

Dairy products accounted for 11.8 percent of total cash receipts in 1966, compared with 12.1 percent in 1965. Poultry and eggs accounted for 8.9 percent of total receipts, compared with 8.6 percent a year earlier.

Livestock and livestock products accounted for a somewhat larger proportion of total cash receipts and government payments to farmers in 1966--53.4 percent, compared with 52.6 percent in 1965. Crops accounted for a somewhat smaller proportion of the total--39.5 percent, compared with 41.5 percent in 1965. Government payments increased a third from 1965 and contributed 7.0 percent of the total, compared with 5.9 percent a year earlier.

:
:
: The Livestock and Meat Situation is published in
: February, March, May, August, October, and November.
:

:
:
: The next issue is scheduled for release
: October 11, 1967.
:

Table 19.--Cash receipts from farm marketings and Government payments, with percentage distribution, 48 States, averages 1910-64, annual 1965-66

Year	Livestock and livestock products										Government pay- ments
	Total cash receipts and Govern- ment payments	Total 1/ 2/	Meat animals				Dairy products	Poultry and eggs	All crops		
			Total	Cattle and calves	Sheep and Hogs lambs						
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	
Average:											
1910-14	5,929	2,948	1,688	901	678	109	628	479	2,981	0	
1915-19	10,576	5,072	3,044	1,540	1,343	161	1,050	754	5,504	0	
1920-24	9,801	4,735	2,343	1,120	1,071	152	1,346	912	5,066	0	
1925-29	10,923	5,797	2,889	1,382	1,296	211	1,672	1,092	5,126	0	
1930-34	6,490	3,593	1,615	811	680	124	1,204	687	2,782	115	
1935-39	8,473	4,577	2,197	1,174	856	167	1,409	811	3,417	479	
1940-44	15,711	8,658	4,386	2,102	2,013	271	2,290	1,748	6,385	668	
1945-49	27,282	14,971	7,983	4,436	3,178	369	3,776	2,954	11,857	454	
1950-54	31,299	17,441	9,649	5,771	3,501	377	4,216	3,278	13,595	263	
1955-59	32,029	17,559	9,582	6,339	2,909	334	4,498	3,178	13,756	714	
1960-64	37,427	19,614	11,158	7,797	3,043	318	4,869	3,275	16,260	1,554	
1965	41,547	21,845	12,951	8,932	3,689	329	5,022	3,571	17,250	2,452	
1966	46,485	24,835	14,890	10,432	4,120	338	5,502	4,134	18,384	3,266	
Percentage of total											
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	
Average:											
1910-14	100.0	49.7	28.4	15.2	11.4	1.8	10.6	8.1	50.3	0	
1915-19	100.0	48.0	28.8	14.6	12.7	1.5	9.9	7.1	52.0	0	
1920-24	100.0	48.3	23.9	11.4	10.9	1.6	13.7	9.3	51.7	0	
1925-29	100.0	53.1	26.5	12.7	11.9	1.9	15.3	10.0	46.9	0	
1930-34	100.0	55.3	24.9	12.5	10.5	1.9	18.5	10.6	42.9	1.8	
1935-39	100.0	54.0	25.9	13.8	10.1	2.0	16.6	9.6	40.3	5.7	
1940-44	100.0	55.1	27.9	13.4	12.8	1.7	14.6	11.1	40.6	4.3	
1945-49	100.0	54.9	29.3	16.3	11.6	1.4	13.8	10.8	43.4	1.7	
1950-54	100.0	55.7	30.8	18.4	11.2	1.2	13.5	10.5	43.4	.8	
1955-59	100.0	54.8	29.9	19.8	9.1	1.0	14.0	9.9	42.9	2.2	
1960-64	100.0	52.4	29.8	20.8	8.1	.8	13.0	8.8	43.4	4.2	
1965	100.0	52.6	31.2	21.5	8.9	.8	12.1	8.6	41.5	5.9	
1966	100.0	53.4	32.0	22.4	8.9	.7	11.8	8.9	39.5	7.0	

1/ Includes wool, horses, mules, mohair, honey, beeswax, bees, goats, rabbits, and fur animals.

2/ Includes ducks, geese, guineas, pigeons, quail, pheasants and turkey hatching eggs.

Table 20.--Edible offals: Supply and distribution, 1951 to date

Year	Supply				Distribution				
	Total	Beginning	Imports	Total	Ending	Commercial	Domestic disappearance		
	produc-	commercial			commer-	Commercial			Per
	tion 1/	stocks			cial	exports 2/	Military	Civilian	capita
					stocks				3/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.
1951	1,501	59	4	1,564	64	6	4/	1,494	9.9
1952	1,577	64	1	1,642	69	4	4/	1,569	10.2
1953	1,704	69	1	1,774	59	29	4/	1,686	10.8
1954	1,743	59	1	1,803	65	46	4/	1,692	10.6
1955	1,853	65	4/	1,918	70	70	4/	1,778	11.0
1956	1,932	70	4/	2,002	59	99	4/	1,844	11.2
1957	1,849	59	4/	1,908	5/	91	4/	1,817	10.8
1958	1,756	---	2	1,758	---	69	4/	1,689	9.8
1959	1,859	---	2	1,861	---	91	4/	1,770	10.1
1960	1,924	---	2	1,926	---	118	4/	1,808	10.1
1961	1,945	---	2	1,947	---	123	4/	1,824	10.1
1962	1,969	---	3	1,972	---	124	4/	1,848	10.1
1963	2,074	---	3	2,077	---	158	4/	1,919	10.3
1964	2,219	---	1	2,220	---	229	4/	1,991	10.5
1965	2,143	---	2	2,145	---	6/226	4/	1,919	10.0
1966	2,212	---	3	2,215	---	6/220	4/	1,995	10.3

1/ Production of offals based on percentage of carcass-weight meat production, including farm: beef 6.7, veal 10.7, lamb and mutton 5.1, pork excluding lard 6.7 percent. 2/ 1951-57 includes small quantities of sausage ingredients reported in Bureau of Census classification "other meats except canned (including edible animals organs)." 3/ Civilian per capita. 4/ Less than 500,000 pounds. 5/ Not reported. Assumed no change in stocks during the year. 6/ Includes shipments to territories.

Table 21.--Canned meat: Supply and distribution, 1951 to date

Year	Imports				Beginning				
	Federally	Canned	Canned	Beginning	Commercial	Ending			Per
	inspected	Canned	Canned	stocks	exports and	stocks			capita
	production	beef 2/	pork 3/	4/	shipments	4/	Military	Civilian	8/ 10/
	1/				5/		6/	7/ 10/	8/ 10/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.
1951	1,441	154	31	27	21	35	246	1,351	8.9
1952	1,351	120	54	35	19	37	58	1,446	9.4
1953	1,437	100	97	37	9/29	34	50	1,558	10.0
1954	1,441	85	113	34	2/32	54	34	1,553	9.8
1955	1,508	87	107	54	22	37	38	1,659	10.2
1956	1,716	73	97	37	28	51	18	1,826	11.0
1957	1,659	95	108	51	43	57	23	1,790	10.6
1958	1,651	113	123	57	24	57	21	1,842	10.7
1959	1,687	95	120	57	26	53	12	1,868	10.7
1960	1,754	77	127	53	23	57	11	1,920	10.8
1961	1,896	95	125	57	21	56	21	2,075	11.5
1962	1,980	84	158	56	17	59	27	2,175	11.8
1963	2,058	112	151	59	18	70	92	2,200	11.8
1964	2,217	79	146	70	20	76	89	2,327	12.3
1965	2,104	91	178	76	44	51	159	2,195	11.4
1966	2,254	90	233	51	44	53	136	2,395	12.4

1/ Beef, pork, sausage, all other, excluding soup. Data from Meat Inspection Division, C&MS. 2/ Data from Department of Commerce. 3/ Federally inspected for entry. Data from Meat Inspection Division, C&MS. 4/ Refrigerated stocks only. 5/ Includes shipments to Territories. Data from Department of Commerce. 6/ From Statistical Yearbook of the Quartermaster Corps and other military records. 7/ Calculated from federally inspected supplies and distribution as shown. Federally inspected production is the largest part of total U. S. production of canned meat. 8/ Civilian per capita. 9/ Includes small quantities of canned beef and gravy procured by USDA and shipped abroad by CARE. 10/ Includes canned meat bought by the Department of Agriculture for school lunches and eligible institutions.

Table 22.-Rank of States in live weight of farm
production of meat animals, 1966 ^{1/}

Rank	Cattle and calves		Sheep and lambs		Hogs	
	State	Production	State	Production	State	Production
		Mil. lb.		Mil. lb.		Mil. lb.
1	Texas	3,257	Texas	162	Iowa	4,741
2	Iowa	2,853	Wyoming	93	Illinois	2,634
3	Nebraska	2,266	California	91	Indiana	1,589
4	Kansas	2,179	Colorado	84	Missouri	1,440
5	California	1,790	South Dakota	83	Minnesota	1,209
6	South Dakota	1,658	Idaho	71	Nebraska	1,055
7	Oklahoma	1,524	Iowa	69	Ohio	821
8	Missouri	1,510	Montana	67	South Dakota	726
9	Minnesota	1,483	Utah	58	Wisconsin	682
10	Illinois	1,309	Minnesota	49	Kansas	509
11	Colorado	1,252	Ohio	38	North Carolina	427
12	Wisconsin	992	Oregon	37	Kentucky	399
13	Montana	984	Illinois	34	Georgia	359
14	North Dakota	780	New Mexico	33	Tennessee	333
15	Kentucky	690	Kansas	32	Texas	234
16	Mississippi	673	Nebraska	31	Alabama	232
17	Ohio	655	Missouri	30	Michigan	208
18	Indiana	634	North Dakota	26	Virginia	149
19	Tennessee	598	Arizona	21	Pennsylvania	136
20	Alabama	544	Indiana	21	South Carolina	124
21	Idaho	520	Michigan	17	Oklahoma	123
22	Oregon	516	Virginia	16	Mississippi	118
23	Michigan	497	Washington	12	North Dakota	117
24	Louisiana	481	West Virginia	12	Arkansas	91
25	Wyoming	451	Nevada	12	Florida	83
26	Florida	439	Wisconsin	11	Colorado	67
27	New Mexico	438	Kentucky	11	Montana	60
28	Arkansas	438	Pennsylvania	9	California	55
29	Georgia	429	Oklahoma	8	Maryland	49
30	Washington	404	New Jersey	5	Louisiana	44
31	Pennsylvania	388	Tennessee	4	Oregon	42
32	Arizona	385	Maine	1	Idaho	37
33	Virginia	370	Maryland	1	Washington	35
34	New Jersey	357	North Carolina	1	New York	27
35	Utah	238	Mississippi	1	West Virginia	23
36	North Carolina	217	Arkansas	2/	New Jersey	21
37	Nevada	161	New Jersey	2/	Massachusetts	20
38	South Carolina	147	Vermont	2/	Utah	14
39	West Virginia	114	Alabama	2/	New Mexico	13
40	Maryland	102	Massachusetts	2/	Hawaii	12
41	Vermont	63	Alaska	2/	Arizona	11
42	Hawaii	53	Florida	2/	Delaware	10
43	New Jersey	32	Connecticut	2/	Wyoming	8
44	Maine	30	New Hampshire	2/	New Hampshire	4
45	Connecticut	26	Delaware	2/	Maine	3
46	Massachusetts	23	Georgia	2/	Connecticut	3
47	New Hampshire	18	Rhode Island	2/	Vermont	3
48	Delaware	8	South Carolina	2/	Nevada	2
49	Rhode Island	4	Louisiana	2/	Rhode Island	2
50	Alaska	2	Hawaii	0	Alaska	2/
U. S.		34,983		1,252		19,105

^{1/} Live weight produced during year by livestock on farms in 50 States. Preliminary data.^{2/} Less than 500,000 pounds.

Supply and distribution of meat, by months, January 1967 to date

Meat and period	Commercially produced							
	Supply			Distribution				
	Produc- tion 1/	Begin- ning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian consumption	
							Total	Per person 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.
Beef:								
January	1,728	307	110	8	319	59	1,759	9.1
February	1,539	319	86	9	313	58	1,564	8.1
March	1,694	313	92	8	300	52	1,739	9.0
1st quarter	4,961	307	288	25	300	169	5,062	26.2
April	1,596	300	83	7	290	58	1,624	8.3
May	1,761	290	75	7	288	69	1,762	9.0
June	1,749	288						
2nd quarter	5,106	300						
Veal:								
January	67	11	2	3/	15	4	61	0.3
February	59	15	1	1	13	4	57	.3
March	65	13	1	1	13	4	61	.3
1st quarter	191	11	4	2	13	12	179	.9
April	57	13	1	3/	13	3	55	.3
May	59	13	2	3/	12	5	57	.3
June	60	12						
2nd quarter	176	13						
Lamb and mutton:								
January	60	17	9	3/	15	1	70	0.4
February	57	15	9	3/	15	3/	66	.3
March	61	15	9	1	15	3/	69	.3
1st quarter	178	17	27	1	15	1	205	1.0
April	49	15	11	3/	16	3/	59	.3
May	49	16	9	1	17	3/	56	.3
June	49	17						
2nd quarter	147	15						
Pork:								
January	1,106	234	29	12	256	23	1,078	5.6
February	975	256	34	14	290	20	941	4.8
March	1,135	290	41	12	331	19	1,104	5.7
1st quarter	3,216	234	104	38	331	62	3,123	16.1
April	1,021	331	30	12	386	22	962	5.0
May	929	386	32	11	336	33	967	5.0
June	920	336						
2nd quarter	2,870	331						
All meat:								
January	2,961	569	150	20	605	87	2,968	15.4
February	2,630	605	130	24	631	82	2,628	13.5
March	2,955	631	143	22	659	75	2,973	15.3
1st quarter	8,546	569	423	66	659	244	8,569	44.2
April	2,723	659	125	19	705	83	2,700	13.9
May	2,798	705	118	19	653	107	2,842	14.6
June	2,778	653						
2nd quarter	8,299	659						

1/ Excludes production from farm slaughter.

2/ Derived from estimates by months of population eating out of civilian food supplies.

3/ Less than 500,000 pounds.

Selected price statistics for meat animals and meat

Item	Unit	1966		1967		
		May	June	April	May	June
CATTLE AND CALVES:						
Beef steers, slaughter	Dollars per					
Chicago, Prime.....	100 pounds	28.30	26.72	25.98	26.40	26.78
Choice.....	do.	26.75	25.49	24.66	25.46	25.88
Good.....	do.	25.76	24.80	23.63	24.37	24.59
Standard.....	do.	23.43	23.25	21.56	22.45	22.86
Utility.....	do.	21.86	21.15	19.66	20.43	21.43
All grades.....	do.	26.54	25.33	24.59	25.37	25.83
Omaha, all grades.....	do.	25.30	24.64	23.39	24.25	25.13
Sioux City, all grades.....	do.	25.27	24.51	23.45	24.33	25.03
Cows, Chicago						
Commercial.....	do.	19.83	19.20	17.31	17.96	18.54
Utility.....	do.	19.54	18.83	17.74	18.51	18.89
Cutter.....	do.	18.80	17.97	16.97	17.66	18.02
Canner.....	do.	17.87	17.13	15.62	16.47	17.26
Vealers, Choice, S. St. Paul.....	do.	33.18	32.80	32.78	33.82	30.48
Stocker and feeder steers, Kansas City <u>1</u> /.....	do.	26.31	24.92	24.81	25.14	25.49
Price received by farmers						
Beef cattle.....	do.	23.00	22.50	21.60	22.20	22.90
Cows.....	do.	18.10	17.60	16.70	17.00	17.40
Steers and heifers.....	do.	24.70	24.10	23.20	23.80	24.50
Calves.....	do.	26.80	26.00	26.10	26.80	26.80
Beef steer-corn price ratio <u>2</u> /.....		20.8	19.2	18.1	18.5	19.1
HOGS:						
Barrows and gilts, U. S. No. 1, 2 & 3, Chicago:						
200-220 pounds.....	do.	24.78	25.89	18.28	23.00	22.98
220-240 pounds.....	do.	24.19	25.58	18.14	22.83	22.81
240-270 pounds.....	do.	23.04	24.66	17.61	22.01	22.12
All weights.....	do.	23.48	24.73	17.81	22.33	22.46
Barrows and gilts, 8 markets <u>3</u> /.....	do.	23.16	24.72	17.62	21.83	22.29
Sows, Chicago.....	do.	18.28	19.14	15.25	18.08	18.02
Price received by farmers.....	do.	22.30	23.20	17.00	21.70	21.00
Hog-corn price ratio <u>4</u> /						
Chicago, barrows and gilts.....		18.4	18.5	13.1	16.4	16.8
Price received by farmers, all hogs.....		18.4	19.3	13.5	17.4	16.9
SHEEP AND LAMBS:						
Sheep	Dollars per					
Slaughter ewes, Good, Chicago.....	100 pounds					
Price received by farmers.....	do.	9.12	8.61	7.50	6.78	6.94
	do.	7.15	6.86	6.42	6.22	6.02
Lamb						
Slaughter, Choice, Chicago.....	do.	27.60	25.74	23.01	26.80	26.62
Feeder, Choice, S. St. Paul.....	do.	23.00	21.20	20.70	21.14	20.10
Price received by farmers.....	do.	23.90	23.50	21.00	25.00	24.60
All meat animals:						
Index number price received by farmers						
(1910-14=100).....		361	360	319	351	353
MEAT:						
Wholesale, Chicago, Less than carlot	Dollars per					
Steer beef carcass, Choice, 500-600 pounds..	100 pounds	43.18	41.70	41.32	42.74	43.92
Lamb carcass, Choice, 45-55 pounds.....	do.	51.25	53.18	49.15	59.62	58.70
Fresh pork loins, 8-12 pounds.....	do.	55.40	59.04	43.55	54.50	54.20
Retail, United States average	Cents					
Beef, Choice grade.....	per pound	85.2	84.6	82.5	82.2	84.3
Pork, retail cuts and sausage.....	do.	73.3	71.6	64.9	64.0	69.5
Lamb, Choice grade.....	do.	86.3	87.3	83.6	86.2	89.8
Index number all meats (BLS)						
Wholesale (1957-59=100).....		109.8	108.6	99.3	103.8	109.5
Retail (1957-59=100).....		116.3	116.6	110.8	110.2	114.7
Beef and veal.....		113.3	112.8	110.5	110.0	112.7
Pork.....		121.6	123.9	109.9	109.0	118.9

1/ Average all weights and grades2/ Bushels of No. 3 Yellow Corn equivalent in value to 100 pounds of slaughter steers sold out of first hands, Chicago, all grades.3/ Chicago, St. Louis N. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis.4/ Number bushels of corn equivalent in value to 100 pounds of live hogs.

Selected marketing, slaughter and stocks statistics for meat animals and meat

Item	Unit	1966		1967		
		May	June	April	May	June
Meat animal marketings						
Index number (1957-59=100)		118	115	120	114	114
Stocker and feeder shipments to						
8 Corn Belt States	1,000					
Cattle and calves	head	448	373	388	406	326
Sheep and lambs	do.	168	109	76	95	96
Slaughter under Federal inspection						
Number slaughtered						
Cattle	do.	2,249	2,397	2,185	2,425	2,423
Steers	do.	1,190	1,270	1,197	1,339	1,342
Heifers	do.	562	592	588	623	601
Cows	do.	461	494	372	432	444
Bulls and stags	do.	36	41	28	31	36
Calves	do.	318	325	316	300	285
Sheep and lambs	do.	970	1,040	872	890	904
Hogs	do.	4,913	4,672	5,870	5,306	5,178
Percentage sows	Percent	9	12	6	9	10
Average live weight per head						
Cattle	Pounds	1,031	1,026	1,049	1,046	1,037
Calves	do.	208	219	183	193	206
Sheep and lambs	do.	102	100	102	99	97
Hogs	do.	251	254	240	245	249
Average production						
Beef, per head	do.	590	597	618	617	613
Veal, per head	do.	115	121	102	107	115
Lamb and mutton, per head	do.	51	50	51	49	48
Pork, per head	do.	155	156	152	151	155
Pork, per 100 pounds live weight	do.	62	62	63	62	62
Lard, per head	do.	29	29	25	28	27
Lard, per 100 pounds live weight	do.	11	12	10	11	11
Total production	Million					
Beef	pounds	1,323	1,427	1,346	1,492	1,481
Veal	do.	36	39	32	32	33
Lamb and mutton	do.	49	51	44	43	43
Pork	do.	761	727	890	798	799
Lard	do.	141	136	145	148	141
Commercial slaughter <u>1/</u>						
Number slaughtered	1,000					
Cattle	head	2,764	2,934	2,663	2,942	2,934
Calves	do.	486	500	465	455	439
Sheep and lambs	do.	1,064	1,145	974	1,005	1,020
Hogs	do.	5,720	5,481	6,770	6,202	6,013
Total production	Million					
Beef	pounds	1,583	1,700	1,596	1,761	1,749
Veal	do.	66	70	57	59	60
Lamb and mutton	do.	54	56	49	49	49
Pork	do.	875	841	1,021	929	920
Lard	do.	157	152	162	165	157
Cold storage stocks first of month						
Beef	do.	217	206	300	290	288
Veal	do.	8	7	13	13	12
Lamb and mutton	do.	18	20	15	16	17
Pork	do.	272	268	331	386	336
Total meat and meat products <u>2/</u>	do.	585	572	727	783	725

1/ Federally inspected, and other commercial.2/ Includes stocks of canned meats in cooler in addition to the four meats listed.

LIST OF TABLES

<u>Table</u>	<u>Title</u>	<u>Page</u>
1	Number of cattle and calves on feed July 1, by regions, and percent change from previous year, 1962 to date	6
2	Number of cattle and calves slaughtered under Federal inspection, by class, United States, by months 1966 to date	7
3	Steer and heifer beef production under Federal inspection, United States, by months, 1965-67	8
4	Average liveweight of steers sold out of first hands at 7 markets, by months, 1964 to date	10
5	Selected prices per 100 pounds of cattle, by months, 1966-67	11
6	Selected price per 100 pounds of cattle by months, Omaha, 1966-67	12
7	Average prices and costs in feeding steers in the Corn Belt, 1956 to date . . .	14
8	Number of sows farrowing, pigs saved and pigs saved per litter, spring and fall pig crops, by regions, 1963 to date	16
9	Number of sows farrowing and percentage distribution by months, spring and fall seasons, United States, 1960 to date	17
10	Spring pigs saved, pork supplies and hog prices the following July-December 1958-67	18
11	Selected prices per 100 pounds of livestock, by months, 1966-67	19
12	Hog-corn price ratio during fall breeding season, United States and North Central Region, arrayed according to United States ratio, and number of sows farrowing following fall, 1956-67	20
13	Hog prices, corn prices, and hog-corn price ratio, by months, 1965 to date . .	21
14	Balance sheet for sheep and lambs, United States, 1956 to date	23
15	Meat subject to U.S. import quota restriction: Product weight of imports by months, average 1959-63, 1964-67	27
16	U.S. meat imports and exports: January-May 1966-67 and percentage comparisons (carcass weight)	28
17	Average retail price of meat per pound, United States, by months, 1964 to date.	30
18	Retail prices and farm-retail spread for meat by years, 1956-65, by months 1966 to date	31
19	Cash receipts from farm marketings and Government payments, with percentage distribution, 48 States, averages 1910-64, annual 1965-66	33
20	Edible offals: Supply and distribution, 1951 to date	34
21	Canned meat: Supply and distribution, 1951 to date	34
22	Rank of States in live weight of farm production of meat animals, 1966	35
Standard Summary Tables		
	Supply and distribution of meat, by months, January 1967 to date	36
	Selected price statistics for meat animals and meat	37
	Selected marketing, slaughter and stocks statistics for meat animals and meat .	38

U.S. Department of Agriculture
Washington, D.C. 20250

POSTAGE AND FEES PAID
U.S. Department of Agriculture

OFFICIAL BUSINESS

NOTICE

If you no longer need this publication,
check here ☐ return this sheet,
and your name will be dropped from
the mailing list.

If your address should be changed,
write the new address on this sheet
and return the whole sheet to:

Division of Administrative Services (ML)
Office of Management Services
U.S. Department of Agriculture
Washington, D.C. 20250

LMS-156 - The Livestock and Meat Situation

UD03883 0A18004LB2PI 4SA 0001
US DEPT OF AGR LIBRARY BELTS-
VILLE BR
PLANT INDUSTRY STA
BELTSVILLE MD 20705